FINANCIAL TIMES

No. 27,540

Friday April 21 1978

CONTINENTAL SELLING PRICES: AUSTRIA Sch.15; BELGIUM Fr.25; DENMARK Kr.3.5; FRANCE Fr.3.0; GERMANY DM2.0; ITALY L.500; NETHERLANDS Fl.2.0; NORWAY Kr.3.5; PORTUGAL Esc.20; SPAIN Pts.40; SWEDEN Kr.3.25; SWITZERLAND Fr.2.0; EIRE 15p

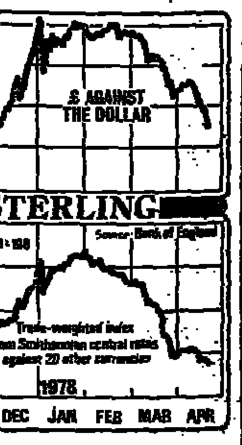
NEWS SUMMARY

BUSINESS

Gilts fall as long tap runs out

● GILTS fell in expectation of new tap stock issues to-day. The long tap ran out, following Wednesday's exhaustion of the short tap. Shorts lost ¼ in heavy selling, and longs ⅝. The Government Securities index dropped 0.33 to 71.83.

● STERLING was considerably weaker due to further strengthening of the dollar. The pound lost 1.95c to \$1.8245, and



its trade-weighted index fell to 61.5 (61.6). Trading was active in the dollar, and its depreciation narrowed to 4.39 per cent. (5.28).

● EQUITY leaders lost a few pence in scattered selling. Trading was quiet. The FT ordinary share index closed 6.8 down at 454.8.

● WALL STREET was 11.00 up at 819.04 just before the close. The Paris Bourse, too, rose sharply in response to the Prime Minister's policy statement on fiscal measures.

● GOLD lost \$5¼ to \$168¾.

● U.K. STOCK EXCHANGE concerns are now free to join the European Options Exchange in Amsterdam. Share option trading commences to-day on the London Stock Exchange. Back Page

● PLANS introducing income tax concessions to encourage share participation by employees were launched in the Finance Bill in the Commons, in response to Liberal Party pressure. Back Page

Sharp rise in spending

CONSUMER spending rose sharply in real terms in the first three months of this year, and was at the highest level since early autumn of 1973. Back Page

● COAL BOARD expects a profit of between £7m. and £10m. for the 12 months ended on March 31, following output marginally ahead of 1976. Page 7

● GREECE, Portugal and Spain should begin cutting back national aid to industry and trimming investment in steel and textiles even before the countries are admitted to the EEC, senior officials of the European Commission have said. Back Page

● BRITAIN'S visible trade deficit with the rest of the EEC is probably exaggerated by some hundreds of millions of pounds as a result of the method of calculation, an official analysis says. Page

● EEC is to send Mr. Christopher Tugendhat to Japan next month to investigate treatment of foreign banks by the Japanese Monetary Authority. Page 33

● SEVERAL North Sea oil companies have warned that they will boycott the sixth round of licensing if new conditions, imposed by the Government, are implemented. North Sea oil review, Page 37.

● QUEEN's Awards for Export and Technology have been made to a larger proportion of small companies this year, following a record period of British sales overseas. Back and Page 10

● BOCM-SILCOCK has been criticised by the Price Commission, which says that price competition in the animal feed industry is limited. Back Page

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

...bb	135	+ 5
... Hotels	112	+ 4
...vson Intnl.	120	+ 8
...nell Elect.	230	+ 8
...eco Minsep	139	+ 6
...d Inds.	141	+ 4
...tonair Intnl.	160	+ 14
...en Owen	77	+ 7
...ry (H.)	184	+ 9
...t. & Universal Inv.	120	+ 3
...tor Prods.	110	+ 6
...e Catto	81	+ 4
...ns. Plants.	141	+ 7
...Leod Russel	217	+ 5
...mpton Areas	123	+ 12

FALLS

...as. 5½pc 1982	£93	− ¼
...ts	202	− 4
Brit. Home Stores	177	− 4
Brotherhood (P.)	150	− 6
Clive Discount	75	− 4
Dixor	58	− 6
Hawker Siddeley	196	− 6
Lloyds Bank	262	− 8
Midland Bank	352	− 8
Mothercare	156	− 4
Plessey	95	− 4
Royco	38	− 3
Turner and Newall	171	− 17
Burmah Oil	51	− 3
Cons. Gold Fields	163	− 7
Cons. Murchison	235	− 30
De Beers Dfd.	325	− 10
Elandsrand	170	− 13
Gld. Mines Kalgoorlie	48	− 7
Libanon	432	− 25
Oakbridge	146	− 9
RTZ	198	− 8
St. Helena	707	− 46
Union Crp.	266	− 12
West Driefontein	£16¾	− 1¼

U.S. gold sales to stabilise foreign exchanges

BY DAVID BELL, WASHINGTON APRIL 20

The U.S. is to sell nearly two million ounces of gold over the next six months as part of a broad attempt by the Carter Administration to re-establish stability *for the dollar in foreign exchange markets and to bolster confidence at home.*

The gold sales—300,000 ounces will be auctioned each month—will be reviewed after the first six auctions.

But officials dropped strong hints to-day that they would continue beyond November, although the amounts offered at subsequent sales may vary.

The monthly auctions held by the International Monetary Fund are expected to continue as scheduled until June, 1980.

Mr. Fred Bergsten, the assistant treasury secretary for international affairs, said this morning that the decision to sell gold was "one of a number of steps we are taking to curb inflation."

It would help the dollar and was an important symbol of the Administration's determination to begin the long task of cutting the trade deficit, he said.

Announcement of the gold auctions coincides with a sharp rally on Wall Street and some improvement in the dollar's position overseas, prompted by signs that the Federal Reserve is tightening the money supply and that the economy is shaking the effects of the coal strike and the winter.

It will do nothing to dampen speculation that the Carter Administration plans to impose a levy on oil imports after a year of Congressional inaction on the Energy Bill.

The Treasury, in an important signal to the foreign exchange markets and to European and Japanese governments, also said that it is investigating ways in which it may accept payment for gold in Deutchemarks after the first auction on May 23.

The Administration, which has looking for ways to acquire more Deutschemarks without issuing DM-denominated bonds or similar instruments, which are strongly opposed by Mr. Michael Blumenthal, the Treasury Secretary, and others in the Government.

Reactions, Page 4
Feature and Editorial comment, Page 22

Mr. Bergsten promised a decision soon.

He acknowledged that the gold sales alone would not make much difference to trade figures or inflation. The U.S. currently has 277.5m. ounces of gold in vaults in New York and Fort Knox, which it continues to value at the old official price of \$42.22 an ounce or a total of \$11.7bn.

The decision to sell some of these reserves is a clear compromise between the view of Dr. Arthur Burns, former chairman of the Federal Reserve Board, and others who argued that the U.S. should announce that it was prepared to sell all its gold to defend the dollar, and those who argued that any gold sale was insignificant in the face of persistent speculation against the dollar.

The Administration, which was apparently been ready to sell gold since the French election, waited for an upturn in the dollar's fortunes in the hope that the psychological impact of the sale would push the currency higher still.

The new U.S. gold auction programme—two American sales were held in 1975 — has been worked out in close consultation with the International Monetary Fund.

Central banks and foreign governments will not be allowed to bid for American gold and the American auctions will take place every third Tuesday of the month. The fund will continue to sell its 525,000 ounces on the first Wednesday of each month.

The IMF has been selling gold since June, 1976, and has the option of reviewing its four-year gold sales programme next month.

There was no official comment to-day from the Fund, but sales are expected to continue until the organisation has sold the 25m. ounces to raise money for a trust fund for developing nations.

Since the Fund auctions began, the selling price of gold has fluctuated from \$109.40 in September, 1976, to \$185.95 in March this year.

The U.S. has reserved the right to sell gold for some years and has not been happy to see the recent rise in its price.

Dollar up sharply on news of auction

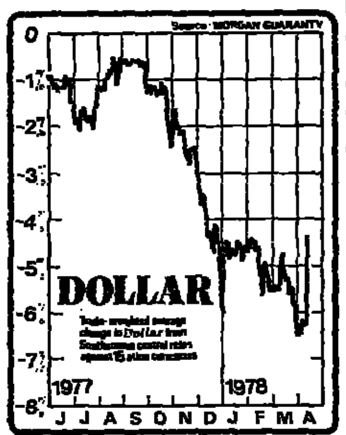
BY MICHAEL BLANDEN

THE DOLLAR rose sharply yesterday and the gold price dropped in the initial market reaction to the news of the U.S. plans for sale of the metal.

In active trading the dollar met strong demand and gained against all the leading European currencies. The U.S. moves on gold, coupled with signs of a tightening of monetary policy by the Federal Reserve, encouraged new confidence in the dollar which had begun to show some recovery in the past few days.

The gold price dropped by \$5¼ an ounce to \$168¾, its lowest closing level since early January, as a result of the announcement.

South African gold shares also fell to their lowest levels



since the beginning of the year in response to the fall in the bullion price, with the Financial Times Gold Mines Index losing 6.4 points to 134.7.

The improvement in the dollar was reflected in further pressure on the pound, with the Bank of England again having to intervene to support the exchange rate. In spite of the official help, sterling with a loss of 1.95 per cent. at \$1.8245, while its trade-weighted index against a basket of currencies slipped from 61.6 to 61.5.

This was the lowest level of the index since late July, and represented a fall of 7.8 per cent. from the peak of 66.7 early in February.

The dollar rose against the West German Mark to DM 2.0775 compared with DM 2.0480 on the previous day, and against the Swiss franc to Sw.fr.1.9725 against Sw.fr. 1.9170. The trade-weighted average depreciation of the dollar calculated by Morgan Guaranty narrowed from 5.28 per cent. to 4.39 per cent.

£ in New York

—	April 19	Previous
Spot	\$1.8378-8388	\$1.8435-8445
1 month	0.45-0.35 dis.	0.45-0.35 dis
3 months	0.80-0.70 dis.	0.85-0.75 dis
12 months	2.60-2.40 dis.	2.60-2.40 dis

U.S. broker drops bid for Lloyd's firm

BY JOHN MOORE

LLOYD'S OF LONDON'S ruling this week that no outside insurance interest may normally hold more than 20 per cent. of the equity of a Lloyd's broker has sparked a major controversy in the international insurance community.

One immediate result is that Frank B. Hall, the American insurance broker, is not proceeding with its bid for Lloyd's broker Leslie and Godwin.

Hall, the third biggest quoted broker in the U.S. is angered by the decision, and Mr. Albert J. Tahmoush, it chairman and chief executive, has flown to London to discuss the matter with Mr. Ian Findlay, chairman of Lloyd's. A preliminary meeting is arranged for this morning.

Hall places over \$300m. of premium in the London insurance market, mainly through Lloyd's brokers Bland Payne and Sedgwick Forbes, where Mr. Findlay was once the chairman.

Mr. Tahmoush said yesterday: "If the merger of Frank B. Hall and Leslie and Godwin had taken place there would have been a greater incentive for us to place more business in London.

"We now wonder whether there is any compelling reason for putting the same volume of business in London let alone increase it. The decision will diminish our enthusiasm for bringing our premiums to London."

There is a growing feeling among the interested parties that Lloyd's has declared war on overseas brokers. Lloyd's was quick to re-emphasise yesterday that its decision was not a jingoistic one.

"We are just trying to establish some control in the market." said Mr. Findlay yesterday. "The working party that framed the recommendations was at pains to eliminate all issues of nationality or place of residence. We are quite happy for outside interests to invest in Lloyd's brokers, but there should not be a controlling interest."

In New York there was disappointment at Lloyd's ruling barring Marsh and McLennan whose own bid for Wigham Poland is in abeyance—and Hall from acquiring majority interests in Lloyd's members. But the National Association of Insurance Brokers dismissed any suggestions of retaliation as both uncontemplated and impracticable.

Mr. John Regan, chairman of Marsh and McLennan, said: "It's an unfortunate act on the part of Lloyd's."

In a brief statement yesterday Leslie and Godwin said that it had been informed by Hall "that in view of the statement released by the Committee of Lloyd's on April 19 in connection with the admission of Lloyd's brokers, Hall does not now intend to proceed with the possible offer referred to in the announcement of April 11. Hall is, however, considering what further action might be appropriate."

The bid for Leslie, if it had gone through, could have produced an offer of over £18m. Leslie and Godwin's shares which were suspended at 93p, resumed trading at 85p and, after reaching 91p closed at 90p.

Asked whether Marsh and McLennan or Hall would be accepted for admission as a Lloyd's broker in the usual way, Mr. Findlay said: "Since it is necessary before seeking admission to be a registered broker in the U.K. any foreign broker would have to create a U.K.-based subsidiary.

"In turn, that subsidiary would be controlled by its parent overseas and therefore would be defined as an outside insurance interest, whose interests should not be more than 20 per cent. in a Lloyd's broker. So there is little likelihood that admission would be granted in those circumstances."

Mr. Findlay also explained that those members of the 16-strong Committee of Lloyd's who might be thought to have had a close interest in the outcome of Wednesday's six-hour meeting had not voted.

Rise of 14% for Forces

BY RICHARD EVANS, LOBBY EDITOR

THE CABINET yesterday agreed a package deal for the armed forces that will give pay rises amounting to nearly 14 per cent. A statement will be made to the Commons next week.

The special formula, hammered out following signs of increasing disillusion in the forces on the level of pay compared with civilian occupations, involves a 10 per cent. increase in line with the Government's pay guideline.

A further element is included of around 4 per cent. to cover special conditions of service life including danger and availability for round-the-clock duties.

Ministers have been alarmed at the numbers of officers and other ranks who are leaving or threatening to leave the services, and there are already signs that MPs will not regard 14 per cent. as sufficient to restore morale.

Mr. Winston Churchill, an opposition defence spokesman, said in the Commons that if members of the armed forces were to receive a pay increase of less than 30 per cent. it would "merely be perpetuating an already grave injustice."

Doctors' and dentists' pay was

Continued on Back Page

Building Societies urged to restore confidence

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

BUILDING SOCIETIES must act immediately to maintain public confidence in their operations, Mr. Keith Brading, chief registrar of friendly societies, said in London yesterday.

After the exceptional collapse of Gray's Building Society, where £7m. was found to be missing after the death of its chairman, the investing public needed reassurance about standards of security they could expect from the movement.

He told the Metropolitan Association of Building Societies—which represents London building societies—that he believed there were still too many small societies. Unless the movement established voluntarily a compensation fund to deal with future collapses, there would be mounting pressure for legislation to set one up.

"The kind of reassurance that the public has long come to expect from the building society movement needs to be enhanced and reinforced.

"I believe there must, especially among the smaller societies, be an immediate reappraisal of resources for setting up and maintaining in the future the very highest standards of organisation and operation, as well as security."

Any society which could not reach such high standards should seek a merger without delay "in the interests of their members and also of the movement as a whole."

The chief registrar said that there were 334 societies now compared with 455 about five years ago. Many small ones had merged because they could see difficulties ahead and he expected the process to go on.

While the Building Societies' Association had acted quickly to assess the extent of the Grays affair and to provide assurances about people's savings, depositors still could not get their money back.

The call for a compensation fund was likely to be irresistible and when established it should contain provisions to enable early repayments to people affected.

There would be problems in establishing a fund to embrace all building societies, including those outside the association, but they should not be insuperable.

The question of a fund and other matters arising from the Grays affair would be discussed by him, the societies and the Treasury.

Shell may sue over nuclear deal

BY DAVID FISHLOCK, SCIENCE EDITOR

ROYAL DUTCH SHELL may sue Gulf Oil of the U.S. in an attempt to extricate itself from problems arising from the purchase from Gulf of a half-share in the nuclear company General Atomic in 1973.

A broad hint to this effect is given in Shell's annual report to-day, where it states that Scallop Nuclear, its U.S. nuclear subsidiary, would take whatever action was appropriate to protect its interests.

Problems have arisen because three of General Atomic's uranium suppliers and three of its customers for nuclear fuel are suing the company in actions which could cost it more than \$500m.

General Atomic is seeking to oblige the three suppliers to provide 30m. lbs of uranium on terms agreed when the market price was about \$6 per pound. The current price is more than \$40 per pound.

Shell stressed yesterday that the uranium contracts now being contested were signed before it bought its stake in General Atomic.

Since the annual report was printed another supplier, Exxon, has filed a counterclaim against General Atomic, alleging violations of anti-trust law and fraud.

General Atomic has agreements for the sale of about 25m. lbs. of uranium to nine U.S. utilities at prices totalling about \$350m.

Shell acknowledges in its annual report that the issues involved are "complex and unusual by the standards of ordinary litigation," but says that their resolution will not result in a loss that necessitates any financial provisions.

This contrasts with the Gulf annual report last month, which the accountants qualified with the statement that they were "unable to conclude on the possible effects, if any, on the company's consolidated financial statements of the resolution of

Last month General Atomic lost an action in New Mexico where a court found in favour of United Nuclear, which had asked to be excused from supplying General Atomic with 22m. lbs of uranium.

The principal reason for the judgement was that General Atomic had concealed from the court facts about the uranium cartel in which Gulf had allegedly participated.

Shell denies opting out, Page 9
Shell annual report, Page 26

CONTENTS OF TO-DAY'S ISSUE

FEATURES

EUROPEAN NEWS

Erupting political violence in Turkey

By a Special Correspondent

THE ENDEMIC political violence in Turkey has taken a turn for the worse, with the militants from the Left and in particular the Right increasingly adopting bombing techniques similar to those used by the IRA Provisionals.

Intelligence sources expect the violence to escalate and pose a yet graver threat to the country's stability.

Political violence has been a part of the Turkish scene for nearly a decade. In the late 1960s, when the protest movement started, it was mainly concentrated among university students and one of its main targets was the U.S. presence in Turkey.

Quickly, however, a number of small groups of urban guerillas developed. They never gained widespread backing but the Government of the time preferred to encourage "counter-groups" of Right-wing militants rather than take firm police action.

By 1971 the groups had carried out a number of kidnappings, murders, hijacks and bank robberies. The Government's failure to tackle either these or the reforms demanded by the constitution and growing possibilities of a radical coup in the army led the commanders to force the then Prime Minister, Mr. Suleyman Demirel, out of office. A string of army-supported governments then began a crackdown which at first also saw moves against the extreme Right but soon was only directed against the Left. Torture was common and by the time the army moved out in 1973 both the militant and radical Left were badly mauled.

Deaths

The return of Mr. Demirel to power and, in particular, his promotion of Alparslan Turkes, head of the extreme Right Nationalist Action Party, to Deputy Premiership, saw the Right-wing militants increasingly infiltrating the state machinery.

The death toll doubled between 1975 and 1976 and then doubled again in 1977 to reach 215. Apart from this 3,000 people were wounded, with the violence stretching from universities and teachers' training colleges to secondary schools and extending from the main cities to the provincial capitals.

With unemployment rising to over 15 per cent. of the labour force, inflation at between 30 and 50 per cent. and the rapid shift from a peasant economy creating a vast army of "dispossessed," the clarion calls by both militant Right and radical Left find a growing number of listeners.

Marxist parties are banned under an article of the penal code copied from Mussolini and the present Government is under pressure to repeal this. While one pro-Peking party has surfaced, the Communist Party of Turkey and its splinter groups lie low, though seem to be somewhat tolerated by the police.

Mr. Turkes's own bodyguard was recently arrested for throwing a bomb at a local mayor. One of the leaders of his youth movement, the Commandos or Grey Wolves, has convictions for murder and another has just been arrested armed with a sub-machine gun. The extreme Right has been responsible for a number of the worst bombing incidents and is also believed to have murdered an Ankara prosecutor investigating their activities. The Government of Mr. Bulent Ecevit, the Social Democrat leader, is trying hard to come to grips with the situation it inherited when it came to office in January.

Security

Mr. Ecevit has blamed the previous government for arming individuals and sending them as students into various colleges. He has also admitted that even within the police force there have been clashes.

He is trying to strengthen the police force. The bureaucracy is being cleansed of the ultra-Right militants and so are schools and other state bodies. The teachers' training colleges have been shut to disperse trouble-makers from among the ranks of both students and teachers. Increased security measures have been taken at university campuses. Irfan Ozaydinli, the Interior Minister, a retired Air Force Marshal, has been meeting opposition leaders, including Mr. Turkes, to brief them on the measures and ask for their support.

It is unlikely, however, that these measures which even the Government admits constitute only a beginning, will slow down the campaign of terror.

Political violence is hovering like a dark cloud over the present Government. Mr. Ecevit has taken great strides in stabilising the ailing economy and towards solving the country's foreign policy problems. But in his war with the extremists he seems to have got nowhere. The escalation is a great embarrassment to him and a potential danger to his administration, with some observers claiming that the basic aims of the attacks is to show Mr. Ecevit in a bad light and weaken his otherwise strengthening grip on the Government of Turkey.

Trying to turn the marée noire.

IN THE WAKE OF THE AMOCO CADIZ

Counting the cost

BY MARK WEBSTER IN BREST, April 19

IN THE harbour at Brest, tonnes of oil-soaked sand and seaweed are piling up, a part of what the Amoco Cadiz deposited on the French coastline. Much of it has now been collected—but no one knows what to do with it.

Thousands of soldiers and enthusiastic volunteers have scraped and shovelled the muck from the beaches and the rocks. Now 55,000 cubic metres of foul smelling waste remain.

Approximate figures released by M. Francois Bourgin, Prefect of North Finistere and controller of land clean-up operations give some idea of the scope of the problem. Of the original cargo, 80,000 tones is now on land, 74,000 has evaporated, 25,000 has been collected from the beaches; 20,000 has been treated by the Navy, 25,000 has sunk to the bottom of the sea and 6,000 has been collected from the water.

A month after the tanker split the first of the 230,000 tonnes of crude oil into the sea off Brittany, cleaning up is still proving troublesome—and costly.

So far, the Army has given no idea of what it costs to keep over 3,000 men on cleaning duties. But the Navy has costed its operations at at least Frs.1m. a day, said the Prefect.

In addition, the Prefecture has already spent Frs.2m., given by the Government for purchasing equipment and paying volunteers. A further allocation of Frs.5m. has mostly been spent before it has been received.

More money has come in from the EEC and a variety of agencies, local authorities and private individuals. But without a central collecting system, people have sent their money wherever they wanted.

Communities which have been given money are reluctant to put it in a common fund. "That's democracy," said M. Bourgin. But it has proved almost as chaotic as the voluntary operation mounted by a commercial radio station—3,000 people turned up and the Government was obliged to lodge, feed and equip them.

But there are also long-term costs. The authorities are, for instance, getting a clearer idea of what damage may be done to the fish, oysters, crustaceans and the flora along the pollu:'d coastline. It remains to be seen what further damage will be done to the vitally important tourist trade.

The immediate impact of the maree noire (black tide) as the French call it, was felt first by the 1,500 fishermen, lobster farmers and oyster cultivators along the coast.

According to figures compiled by the Chambers of Commerce in Brest and Morlaix last year, the sea yielded 1,300 tonnes of fish worth Frs.5.5m. So far, only one or two boats have been able to go out since the grounding of the tanker and they have been fishing much nearer Britain.

The most valuable asset of North Finistere is its massive oyster beds and lobster farms. They are concentrated in the two lbers (estuaries) of Wrach and Benoit and in the bay of Morlaix. At Roscoff, the first victims were 30 tonnes of winkles which are now inedible. How many of the oysters will survive the oil remains to be seen, said the cultivators.

It is impossible to tell how many oysters have been killed, but in the meantime demand has dropped by 40-60 per cent.

The lobster farmers at Roscoff managed to transport 30 tonnes of the creatures overnight to fresh grounds further south. But getting 100,000 lobsters, crayfish and crabs out of the water in four hours has resulted in many being killed, said M. Yves Le Gleach of the Rimel Lobster farm at Roscoff.

Rimel, one of the biggest lobster farms in Europe, is now facing an acute cash flow problem. It cannot sell its shellfish until they can be certified pure. On the other hand, they have 25 tonnes of new stock on its way.

"We have just nowhere to put them," said M. Le Cleach. As two-thirds of Rimel's supplies come from Great Britain, the British market will also feel the pinch soon.

According to Chambers of Commerce figures for North Finistère, 5,000 tonnes of crustaceans (lobsters, crayfish and crabs) were sold last year, worth Frs.30m.

Equally important to the region are the oysters. A 5,000 tonnes of oysters wen duced last year, worth at Frs. 44m. The Bay of M alone accounts for 10 per of domestic production.

It is still impossible t how many of the oysters been killed off and how man be able to clean themselve The producers in the mea are suffering a marked dr demand, of between 40 ar per cent., for all seafood Brittany.

The same crisis of confi is being felt by the hote The Chambers of Com report a complete halt in ings although the small nu already booked are not ca ing

At the moment, there s no reason to doubt that b summer the major part o beaches will be fit if n beautiful as they were last

The huge clean-up is a shifting the oil and the st weather is doing a lot to dis what remains.

But while the beaches m fit for tourists soon, it i more difficult to assess potential long-term damag the flora and fauna.

Professor Michel Glemare the Institute of Marine St at the University of Brest, the seashore will take on three years to recover. Bu estuaries may need a decad

Among the im of the Amoco Cadiz said, were: the massive mor of sealife within 15 kilomet the wreck, the mixture of oi water down to a depth metres, the solid layer of o the bottom of the sea and possibility that a thicker bar oil has collected between surface and the seabed.

That thicker layer is tho to sink when the weather w up and rise again when it c That would explain, said fessor Glemerec, why apparently clean piece of sea suddenly pollute a beach.

Among those directly affe by the Amoco Cadiz is builder M. Jean Rolland. hasn't had a single order the tanker went aground.

"What is extraordinary is at first everything was dr tised. Now no one is rem interested, but the problem more serious."

Greek GNP likely to grow 5%

BY OUR OWN CORRESPONDENT

ATHENS, April

GROSS NATIONAL PRODUCT in Greece is expected to grow by 5 per cent. this year compared with 3.9 per cent. in 1977, Professor Xenophon Zolotas, governor of the Bank of Greece, said to-day.

In his annual review of the Greek economy, Professor Zolotas said the slowing of economic expansion in 1977 was largely due to a decline in agricultural output and to sluggish growth of output in manufacturing.

This year, agricultural output is expected to rise by about 5 per cent., compared with a 4.9 per cent. decline in 1977

Industrial production is expected to rise by 3 to 4 per cent. compared with a 2 per cent. increase last year.

The sluggishness of industrial production in 1977 was attributed to a slowdown in the growth of exports, especially textiles, clothing, footwear and metals. This was the result of slow growth and increased protectionism in Western Europe. In addition, there was a shift of domestic demand towards imported manufactured consumer goods.

Governor Zolotas said industrial investment began to pick up slowly in the second ha 1977 and its recovery is exp to continue into 1978.

He said the decision of Government to implement a and more effective system o vestment incentives, the eli ation of uncertainty concer the country's accession to EEC, and the fact that idle ductive capacity was grad diminishing in certain bran of industry were favourable tors for the encouragemen business investment.

Professor Zolatas said Government hopes to keep tion below 12 per cent. this

PSYCHIATRY AND SOVIET DISSIDENTS

Forcible detention 'not justifie

BY ANTHONY ROBINSON, EAST EUROPE CORRESPONDENT

A REPORT being prepared for the Royal College of Psychiatrists by Mr. Gerard Low-Beer, a consultant psychiatrist at Horton Hospital, Epsom, will contain the first professional evidence by a Western psychiatrist that Soviet dissidents have been detained in Soviet mental hospitals for non-medical reasons.

Mr. Low-Beer has just returned from a four-day visit to Moscow. He told a news conference yesterday, that he examined a dozen former inmates of Soviet psychiatric hospitals who consider themselves to have been forcibly detained because of their dissident views. He declared that in none of the cases was there any evidence that their psychiatric health could have justified forcible detention.

Mr. Low-Beer, who said he was a fluent Russian speaker and had been a consultant psychiatrist since 1965, met Mr. Alexander Podrabinek, a young auxiliary medical workers who in January, 1977, was a founder member of the Working Commission to investigate the Use of Psychiatry for Political Purposes and author of Punitive Medicine, a 265-page Samidzat monograph on political abuses of psychiatry in the USSR.

Mr. Low-Beer met the leading Soviet dissidents, Andrei Sakharov, Yuri Belov, leader of the Helsinki group working committee on psychiatric abuses, and other involved in monitoring the alleged political misuse of psychiatry in the Soviet Union. Mr. Low-Beer said he was searched and documents were taken from him by the KGB as he was leaving from Moscow airport.

He said he was virtually besieged by people who feared they could be sent to psychiatric hospitals for their inconvenient views and who wanted "a prophylactic verdict of sanity" from him in case their fears were ever realised.

Among the people he examined was Mrs. Ludmila Agapova whose husband fled to Sweden in 1974 and who stabbed herself in front of KGB officials as part of her campaign to be able to rejoin her husband abroad. She was subsequently sent to a psychiatric hospital. Reporting on his examination of her, Mr. Low-Beer said: "I could find no abnormality, just a very angry and frustrated woman who is determined to rejoin her husband."

He examined Yuri Belov, a catholic who spent 14 years in psychiatric hospitals, including the Sychyovka Hospital Smolensk which has one of worst reputations for treat of dissident internees. Belov was committed as suffe from psychopathic tenden but Mr. Low-Beer said: "I c find no symptoms of aggres or irresponsible conduct, whi the National Health defini

At the request of the wif Mr. Evgeny Nikolaev, who sent to hospital after lending flat for a Press conference by Mr. Vladimir Klebanov announce the formation of independent trade union m ment, Mr. Low-Beer went to Kashchenko Hospital Moscow. He was denied ac by Dr. Morkovkim, the docto charge, who, Mrs. Nikolaev had abused and shouted at on previous occasions.

Mr. Low-Beer said that in report to the Royal College, will declare that psychiatry being misused for polit reasons on a very wide scale, according to Academic Sakharov and others, conditi in such hospitals are terrible that the professional status doctors in the Soviet Union gi them much less power to pur the exclusive interests of th patients than in the West.

EUROPEAN NEWS

Mixed reception for Barre's economic policy

BY ROBERT MAUTHNER PARIS, April 20.

THE FRENCH Government's programme, presented by M. Raymond Barre, the Prime Minister, to the National Assembly yesterday, has been given a mixed reception from industry and the trade unions.

The most positive reaction has come from the Patronat, the French employers' federation, which welcomed M. Barre's promise that industrial prices will be freed progressively. But even the Patronat stressed that progressively could be interpreted in many ways and reserved its position until more details had been given by the Government.

Both sides of industry commented favourably on the Prime Minister's statement that the Government intended to implement its social policies only after full consultations with the unions and other representative economic groups. M. François Ceyrac, the president of the Patronat, said to-day after a two-hour meeting with M. Barre, that the employers were ready to open wide-ranging negotiations with the unions next month

The main left-wing unions have adopted a negative stand on the Prime Minister's economic programme as a whole. The Communist-led CGT, France's largest union, said M. Barre's programme was merely a continuation of the previous administration's austerity policies and implied more sacrifices on the part of the workers.

Even the Socialist-oriented CFDT, whose leader M. Edmond Maire, has adopted a more conciliatory attitude towards M. Barre since last month's general election, issued a remarkably scathing statement

"The Government intends to pursue an economic policy which, up to now, has proved incapable of resolving any of the serious problems posed by the crises," the union's statement said. It could lead only to more unemployment and higher inflation.

Some of the criticisms echo those made in the National Assembly yesterday by M. Francois Mitterrand, the Socialist leader.

The Gaullists, too, have expressed reservations about M. Barre's programme, though they made clear that they would support the Government in the vote of confidence for which it has asked.

The daily newsletter published by the Gaullist RPR party said the Government had failed to propose an effective employment policy. M. Barre continued to adopt the view that unemployment was an unavoidable disease which had to be treated, instead of giving priority to the complete removal of unemployment.

Three measures to assist French private industry

BY DAVID WHITE PARIS, April 20.

THREE SPECIFIC measures aimed to help French industrial enterprises in the private sector strengthen their financial muscle are included in the programme announced yesterday by M. Raymond Barre, the Prime Minister.

For the first time, the Government has given the go-ahead for the issue of preference shares, based on practice in many other Western countries. The introduction of non-voting stock, which has been sought by representatives of private industry, is aimed mainly at small and medium-sized companies which have been reluctant to raise money on the stock market for fear of losing financial control of their activities. Preference stock will, and is the normal practice, bear a guaranteed dividend.

A further proposal which has been widely welcomed in stock market circles is for extra tax relief on savings invested in company shares. Dividends received by shareholders are already subject to a rebate against corporate tax, known as avoir fiscal, and dividend earnings of up to Frs.3,000 ($652) a year are deductible from individuals' tax declarations.

The new measure will greatly extend tax benefits by exempting a set proportion of income which is invested in stocks. What this proportion will be has not been determined, and it remains uncertain whether the benefit will be related to an individual's overall income.

The third proposal involves an improvement in the conditions under which companies can have access to soft loans from the Government.

The proposed change will mean more favourable repayment conditions, and is seen as aimed at private enterprises in financial difficulties.

New hope for Moro after Red Brigades' bulletin

BY DOMINICK J. COYLE ROME, April 20.

THE HEADLINE across the top of the Rome daily newspaper Il Messaggero to-day summarises accurately the present mood of the country, and particularly of the political parties over the kidnapping of Sig. Aldo Moro. Bold type across eight columns proclaimed: "Doubts, Anguish, Hope."

The hope was raised this afternoon with news of yet another communique proportedly from the Red Brigades group which claims to hold the former Prime Minister. Its authenticity has still to be established, if possible, by Interior Ministry experts.

An earlier communique on Tuesday announced that Sig. Moro had died "through suicide," and that his body coudl be found in a lake on the borders of the Abruzzi and Lazio regions north-east of Rome. To-day's communique says that this information is false and, by implication at least, was not issued by any Red Brigades faction.

To-day's message also claims, again, in part by implication that Sig Moro will be released if the Italian Government frees Communist prisoners within 48 hours from 3 pm this afternoon. The prisoners are not named, but are assumed to be people on trial in Turin on a range of charges, including subversion against the State.

They include Sig. Renato Curcio, said to be the founder of the Red Brigades, but whose influence over the terrorists' activities must now be marginal, if only because he has been in prison awaiting trial for nearly two years.

Yet by all accounts it was Sig. Curcio, through his lawyer, who first threw cold water on the accuracy of communique number seven which announced the dumping of Sig. Moro's body. He is said to have greeted news of it with laughter, and subsequently, with an expression of interest as to who might have written it.

To-day's communique suggests that the false trail could even have been the work of Sig. Giulio Andreotti, the Prime Minister, and his associates — a carefully-prepared innuendo to plant the notion that the authorities might be fishing in very muddy waters indeed.

Elsewhere such a suggestion might sound incredible but in Italy it could gain credence. During tension in the late 1960s, left-wingers were initially accused of planting bombs in Milan's Piazza Fontana, whereas the trial of that incident, still continuing after more than eight years, has already thrown up the real prospect that elements in the security services were involved.

What the Red Brigades have demonstrated is an ability to throw the State and its institutions into disorder, if not despair. Police and army frogmen continued to-day to search in the Lake Duchessa area, indicated in the seemingly false communique, despite mounting evidence that this was indeed a hoax.

In their psychological war against the "bourgeois State" the terrorists are clearly winning, at least in the short term. Sig. Francesco Cossiga, the harassed Interior Minister, insists that the State will not be intimidated, but he has repeated this phrase on at least half-a-dozen occasions in as many months.

Meanwhile, a prison guard was shot dead in Milan this morning as he left his home to go to work, almost a carbon-copy of a murder in Turin earlier this month. The Red Brigades, or anonymous callers on their behalf, have been claiming responsibility. Sig. Curcio and his fellow accused in Turin have already told the presiding judge that he, too, is on the assassination list.

A recent opinion poll appeared to support the Government in its stated resolve not to do a prisoner-exchange deal with the terrorists for Sig. Moro. But to-day is the first occasion in which a specific exchange has been offered, and Christian Democrats from Sig. Moro's political stronghold in the southern Bari region are already demanding a deal on humanitarian grounds.

Azores riot leaves 13 injured

By Our Own Correspondent

LISBON, April 20.

TWO RIOT policemen and 11 civilians were injured early today in clashes between demonstrators and specially reinforced security forces on the Atlantic island of the Azores, a Portuguese territory.

The incidents allegedly occurred between members of the illegal FLA Separatist movement and riot squads guarding the airport before the departure of two top Government ministers for Lisbon.

The police said they charged a group of a few hundred stone throwing demonstrators and arrested five of them. This followed police accusations that demonstrators had started shooting and had blow up an official car.

A NATO report from the Azores said about 1,000 people massed in front of police head reinforcements flown in on central government orders

The report also said that local unions and other organisations wer studying on appeal for a general strike on the island to protest, against the latest tensions. The atmosphere on the Azores archipelago has worsened since the week-end when Dr. Antonio Almeida Santos, the deputy Prime Minister, was beaten up by the Separatist

The situation has turned into a test of strength between the Socialist - dominated central Government and its chief political opposition the Social Democrats which rule the autonomous Azores islands. While the Social Democrats have officially renounced the Separatist movement, Government circles here maintain there are too many informal links between the breakaway movement and the local administration.

U.S. Secretary of State Cyrus Vance (left) with Soviet Foreign Minister Andrei Gromyko in Moscow yesterday. On Mr. Gromyko's left is Mr. Anatoly Dobrynin, Soviet Ambassador to the United States.

Vance and Gromyko call for progress in SALT

BY DAVID SATTER MOSCOW, April 20.

MR. CYRUS VANCE, the U.S. Secretary of State, and Mr. Andrei Gromyko, the Soviet Foreign Minister, concluded their first round of Strategic Arms Limitation Talks this morning and afterwards stressed their desire for progress in the negotiations.

The two men met for almost three hours, along with members of the respective Soviet and U.S. negotiating teams, and at a lunch following the meeting, each proposed a toast affirming his country's desire to reach a new SALT treaty.

The two sides are not expected to reach final agreement during Mr. Vance's present visit, which is to last until Sunday, but if there is progress in the talks, the way could be prepared for a visit next month by Mr. Gromyko to New York for the signing of a new SALT pact at a Soviet-U.S. summit later this year.

There is general agreement that a new treaty is 90 per cent. complete but several difficult issues remain. These are considered to be the question of Cruise missiles for Western Europe, limits on the Soviet Backfire bomber, which has become a political issue in the U.S., and the question of limits on modernisation of missiles and on the development of new Intercontinental Ballistic Missile systems (ICBMs).

Mr. Vance is known to hope that his visit, which will include negotiating sessions this evening, to-morrow and possibly Saturday, will demonstrate that the two super-powers can settle their differences through negotiations, although the U.S. position remains that concessions will be necessary from both sides for the talks to succeed.

There has been progress in the negotiations. The issue of the U.S. Cruise missile, which was once regarded as the most difficult in the talks, now appears to be all but resolved.

Mr. Vance arrived in Moscow last night

£18m. EEC nuclear safety plans

By David Buchan

BRUSSELS, April 20.

IN A MOVE hailed here as the first fruits of the EEC's recent nuclear hearings the EEC Commission has decided to ask national Ministers to approve two new nuclear safety programmes, costing 28m. European units of account (£18.7m.) over five years. Half would come from the EEC Budget, and half from governments and companies.

One of the research programmes would study how to take safely out of service a nuclear plant that has come to the end of its life. This, say EEC officials, is a problem that has received scant attention, even though there are now 20 reactors in the U.S. and Western Europe that are due to be decommissioned. Five are in the EEC—two each in France and West Germany, and the Dournreay fast reactor in Scotland.

The other safety programme concerns the light-water reactor—the most common type—the Community—and is designed to complement work being done at the four joint European research centres.

● European Court of Justice today declared the 12 per cent. tax imposed by France on Italian wines during the 1975-76 "wine war" to have been illegal under Common Market law.

Some 30 French importers of Italian wine resorted to the French courts to seek reimbursement of the tax which was levied from September, 1975, to March, 1976. To-day's ruling bears on two of these cases passed on to European Court for an opinion, but will obviously have an effect on the rest of the pending cases.

Bonn will seek joint action over energy

BY ADRIAN DICKS BONN, April 20.

WEST GERMANY intends to place a high priority on the formulation of a joint energy policy, and specifically a common policy for the coal industry, during its six-month presidency of the European Community during the second half of this year, Count Otto Lambsdorff, the Economics Minister, told the Bundestag to-day.

Opening a debate on West German energy policy, he stressed the far greater weight of the U.S. as a consumer of energy, and made clear that Bonn intends to use the opportunity of the July summit here to urge the Carter Administration once again to enact energy-saving measures.

The starting point for Community efforts to build a common energy policy, according to the German Minister, must be a greater willingness on the part of member governments to show their hand and to co-ordinate what they do. The Community must also maintain a unanimous and liberal position towards the rest of the world.

In practical terms, Count Lambsdorff made clear that he wants to win agreement among the Nine on coal policy, a matter which European Energy Ministers are due to discuss next month.

West Germany is shortly to place before its partners a memorandum on the coal industry, in which the Economics Minister said it would propose additional assistance that would lessen the competitive disadvantages of European coal. He sought to disarm potential criticism by insisting that Bonn would not seek to bring this about by banning coal imports from third countries.

Conceding that an essential condition for a Community energy policy must be sensible domestic policies by each of the Nine, he admitted the validity of criticism that West Germany had dragged its heels, especially over the introduction of programmes to save energy through better insulation of buildings.

Japan-USSR fish pact

BY OUR OWN CORRESPONDENT MOSCOW, April 20.

JAPAN AND the Soviet Union to-day reached agreement on a new long-term fishing pact to govern fishing rights in the waters outside the countries' respective 200 miles zones.

The new agreement, which was negotiated by Mr. Ichiro Nakagawa, Japan's Forestries and Agriculture Minister, and Mr. Alexander Ishkov, the Soviet Fisheries Minister, calls for a more than 30 per cent. reduction in the allowable Japanese salmon and trout catch.

Under the agreement, which replaces a 1956 convention on fishing in the north-west Pacific, Japan may catch 42,500 tonnes of salmon and trout from waters outside the Soviet 200-mile zone compared with 62,500 tonnes taken last year and must pay a 4.5 per cent. tax to the Soviet Union on the value of the catch.

Financial Times, published daily except Sundays and holidays. U.S. subscription $200.00 (air freight) $360.00 (air mail) per annum. Second class postage paid at New York, N.Y.

Brazil sea pollution spreads

By Diana Smith

RIO DE JANEIRO, April 20.

THE DEATH of a labourer who had been working on a jetty near Harmenegildo Beach in the far south of Brazil—focal point of toxic chemical pollution which has plagued the area for three weeks—has added new urgency to research for the origins of the toxicity.

Sr. Elmo Molina was one of four people admitted to hospital last week, suffering from severe vomiting and violent headaches. An autopsy is being performed

The pollution first washed thousands of dead fish and shellfish on to the Atlantic shore, near the Uruguay border.

After traces of mercury propylene and ethylenamine were found, a ban was placed on fishing in the southern state of Rio Grande do Sul. These chemicals were thought to have leaked from a 1971 shipwreck.

However, traces of sulphur compounds, powerful fungicides and unusual activity of algae indicate that other factors may be involved, including a variant of the discoloration of sea water caused by abnormal reproduction of toxic algae.

The pollution has now spread hundreds of miles northwards up the coast. Numerous residents are complaining of burning in the lungs.

Yesterday, thousands of dead deep-sea fish surfaced near the port of Santos in Sao Paulo state. No link has yet been established, but this new phenomenon has increased fears of a huge ecological disaster.

Carter shores up tax reform package

BY DAVID BELL

WASHINGTON, April 20.

PRESIDENT Carter moved to-day to shore up support for his tax reform package, which includes a $25bn. tax cut, in the face of mounting evidence that the whole scheme may be scrapped by the powerful House Ways and Means Committee.

The Administration is arguing that the tax cut is necessary to support continued economic expansion next year, but that it must also be accompanied by a range of fairly modest tax reforms. So far, the committee has emasculated most of the individual changes it has considered, and most of those remaining are not expected to survive.

Mr. Carter is thus faced with a difficult dilemma. He can cut his losses and press the committee to go ahead with the tax cut on its own, or he can withdraw the whole Bill and that would inevitably be regarded as a major defeat. Mrs. Juanita Kreps, the Commerce Secretary, told another congressional committee yesterday that to drop the stimulus in the package could cause the economy to falter and put up unemployment.

The President's difficulties are compounded by the political divisions inside the Ways and Means Committee. Mr. Ullman said this morning, "the President feels his targets for cuts are about right, but I think they are a little high." He said that he would like to see an overall reduction of about $20bn. "the people would like to have less deficits and less cuts."

But there is also a strong body of opinion inside the committee in favour of scrapping the whole Bill on the grounds that without some reforms, it would be better for the Administration to re-examine the whole question.

Meanwhile, Republican members of the committee are for the moment unable to decide between the politically attractive option of embarrassing the Administration by helping to kill the Bill, and the alternative that they might help to keep it alive, by proposing even larger tax cuts and new investment incentives than the current Bill envisages.

"If this Bill turns from a 'no reform' Bill into a 'Christmas tree' Bill, then I will vote to kill the whole thing," one Congressman was quoted as saying to-day. So far, only one of the President's reform measures has passed the committee—it would end tax deduction for state and local petrol taxes. But proposals to repeal deductions for some local taxes, to limit medical deductions and to crack down on tax shelters have all been swept aside.

At the same time, and to the despair of those lobbying for the reforms, the committee has voted to allow a separate deduction for gifts to charity, even by taxpayers who do not itemise such deductions. This could cost the Treasury as much as $3.6bn.

Strauss announces three-pronged attack on inflation

BY OUR OWN CORRESPONDENT

WASHINGTON, April 20.

MR. ROBERT STRAOSS, recently appointed to head the Administration's anti-inflation programme, has characteristically wasted little time in getting down to work.

Yesterday, he went to Pittsburgh for a series of meetings with steel company executives. Later, in an interview with the Washington Post (whose chief political reporter he took with him), he outlined his immediate targets in the war on inflation

Mr. Strauss said his first three targets are the Teamsters' Union, which said after the miners' strike that it wanted a wage settlement like that awarded to miners, the Postal Workers' Union, which begins new contract talks to-day, and the Environmental Protection Agency (EPA).

The selection of this last body is a classic piece of Strauss strategy. For many months, the business community has been citing the cost of meeting the myriad federal regulations, particularly those about the environment, as a major contributor to inflation.

Mr. Strauss said he had already met the head of the EPA and asked him to come up with some regulatory changes that might have an immediate effect on business costs.

No better symbol could have been selected and no better place in which to announce it than in Pittsburgh where steel companies and others have spent many millions of dollars to meet anti-pollution requirements laid down by Washington.

Mr. Strauss was loath to set specific targets in his drive against inflation but said that, to start with, his aims were relatively modest and that the Administration wants to "chip away" at wage and price levels.

But he made it clear he will fight any attempt to make the miners' three-year 37 per cent. contract a model for other unions.

His intervention has not been welcomed by the U.S. labour movement which fully appreciates his formidable powers of persuasion. Mr. George Meany, head of the FAL-CIO, would probably support him in the end, he said, for fear that he might be able to persuade Congress to accept something that the unions would like even less.

Meanwhile, the President was expected to meet later to-day the chief executives of 16 major corporations to try to enlist their support in the anti-inflation campaign. A similar meeting is planned later with labour leaders.

Cuba talks for leader of Ethiopia

By Hugh O'Shaughnessy

COLONEL Mengistu Haile-Mariam, the Ethiopian head of state, is soon to pay an official visit to Cuba, where he is likely to be publicly assured of continuing Cuban support. According to Reuter, the visit should start in the next few days.

Col. Mengistu met President Fidel Castro last year when the latter visited the Horn of Africa and tried in vain to reconcile the Ethiopian and Somali leaders. Main topics for the talks in Cuba will be the situation in the Ogaden region of Ethiopia, after the repulsion of the Somali invasion with Cuban help, and the Eritrean problem.

Despite western intelligence reports that Cuba has committed reinforcements to Ethiopia, which is defending those areas of Eritrea which have not fallen to secessionist guerillas, Cuban forces do not seem to have been involved in any drive to roll back the guerillas. The Cuban official position, announced in February, still appears to be that the Ethiopians and Eritreans should settle their differences within the framework of an undivided Ethiopia led by a Left-wing government.

The Ethiopian leader's visit to Havana is likely to fix the future pattern of the co-operation of the Addis regime with Cuba.

Vote to reduce airline controls

BY JOHN WYLES

NEW YORK, April 1[illegible]

A VITAL STEP towards reducing the regulation of the U.S. airline industry was taken last night by the Senate which voted 83 to nine in favour of reforming a 40-year-old system of government control.

Hailed by President Carter as "an important step in the fight against inflation," the Senate vote means that attention will now focus on the House of Representatives where similar legislation is being drafted. The Carter Administration may have a tougher political battle in getting the legislation through the lower house intact because the airline industry is by no means enamoured of all its provisions.

In essence, the Senate Bill would drastically reduce the regulatory role of the Civil Aeronautics Board which in the past year has been laying the ground for a more sharply competitive era of discounted air fares and route competition.

The legislation would allow carriers to enter new markets with little interference from the CAB and to raise and lower fares with much greater freedom on routes where airlines are in competition.

Airlines would be allowed to serve one new route in 1979 and another ni 1980, and then two new routes in each of the following three years. They could also raise fares up to 5 per cent. a year and reduce them by up to 35 per cent. a year without C[illegible] permission.

The Bill differentiates betw[illegible] large and small carriers [illegible] offers the former no protec[illegible] against a competitive challe[illegible] on their routes. Howe[illegible] smaller carriers can desig[illegible] three of their routes as prote[illegible] services for a period of th[illegible] years.

The CAB wil be asked to re[illegible] to Congress every year on [illegible] state of competition within [illegible] industry and will have em[illegible]gency powers to intervene i[illegible] decides that serious dislocatio[illegible] being caused to the industry.

Senatorial fears that sm[illegible] communities might be de[illegible] services through airlines con[illegible]trating on denser markets h[illegible] been allayed by a 10-year gua[illegible]tee of essential service cla[illegible] This prevents the abandonm[illegible] over the next 10 years of [illegible] community now being served.

Passage of the legisla[illegible] follows last week's proposal [illegible] the CAB to allow airlines [illegible] reduce their fares up to 50 [illegible] cent. without CAB interfere[illegible] This could become effective la[illegible] in the year after appropri[illegible] time has elapsed for pu[illegible] comment.

U.S. COMPANY NEWS

A. & P. profits down, Al[illegible] and Alcoa well ahead. Inl[illegible] Steel strong first quarte[illegible]

Page 32

THE U.S. GOLD DECISION

Little effect on price expected

BY QUENTIN PEEL IN JOHANNESBURG, APRIL 20

MINING INDUSTRY sources in South Africa are confident the gold market will be able to absorb the proposed U.S. gold sales without any dramatic drop in the gold price.

An announcement on possible U.S. sales had been expected for several months, and industry spokesmen believe the market had already largely discounted the move. To-day's drop in the gold price is seen as the immediate psychological effect of the move.

A spokesman for the South African Chamber of Mines said to-day that the total of 1.8m. fine ounces which the U.S. Treasury is committed to selling in the next six months was slightly less than had been anticipated.

Although the move might have a further depressing effect on the market, it was also a positive step in removing the uncertainty created by the conflicting statements of U.S. economic officials.

He also welcomed the decision to stage the proposed monthly gold auctions well apart from the IMF auctions, as an indication that the U.S. Treasury was not intending specifically to depress the gold price.

The feeling in the mining industry is that the price is likely to be broadly resilient, in spite of recent fluctuations, because of the continuing weakness of the dollar and steady industrial demand.

However, observers are divided on whether the auctions will have the same effect as the early IMF auctions in further depressing the price. It is argued that the IMF is now almost halfway through its planned four-year auction programme of 25m. ounces, and current auctions have no appreciable effect on the market. The more modest U[illegible] auctions would be unlikely [illegible] have a greater effect. Howe[illegible] banking sources argue that [illegible] uncertainty of the first [illegible] auctions might further weak[illegible] the price.

Any dramatic fall in the g[illegible] price would have drastic effe[illegible] on the South African econo[illegible] through the balance of pa[illegible]ments, where a $10 rise or f[illegible] in the price, based on annu[illegible] gold production of 22m. fi[illegible] ounces, results in an increa[illegible] or decline in exports of so[illegible] R220m.

Thus, to-day's fall of so[illegible] $5, if it proved once and f[illegible] all, would result in R110m. low[illegible] exports.

The current account is, ho[illegible]ever, substantially in surplus [illegible] present, although there has be[illegible] a heavy outflow on capit[illegible] account. Predictions of the s[illegible]plus for the current year ran[illegible] from R400m. to R1bn., dependi[illegible] on the buoyancy of the go[illegible] price.

Given the limited extent [illegible] the U.S. sales, and probab[illegible] limited effect on the gold pri[illegible] observers here do not see t[illegible] move as having any politic[illegible] motive directed against Sou[illegible] Africa.

Japanese Finance Ministr[illegible] officials welcomed the U.S[illegible] Treasury announcement th[illegible] it will auction gold from ne[illegible] month, and said it is a sig[illegible] that Washington is willing t[illegible] defend the dollar, Reuter re[illegible]ports from Tokyo. But th[illegible] officials said that the plann[illegible] gold sales were smaller tha[illegible] expected, and predicted tha[illegible] the U.S. will auction additio[illegible] gold.

Soviet sales unlikely

BY DAVID SATTER IN MOSCOW, APRIL 20

THE U.S. decision to sell nearly 2m. ounces of gold in the next six months may have the effect of dissuading the Soviet Union from making major gold sales in the short-term.

The details of Soviet gold sales are kept strictly secret, but it is believed that the USSR, which succeeding in reducing substantially the size of its trade deficit with the West last year, has no pressing need to make gold sales now.

With the big U.S. sales likely to drive down the price of gold, Moscow is thought likely to wait until the price is higher before making gold sales, although it would have no difficult selling gold now if it chose to offer some.

A recent U.S. Bureau of Mines report on Soviet mineral industries put 1977 Soviet gold production at 248 tonnes and 1976 gold sales to the West at 200 tonnes, a 43 per cent. rise ov[illegible] the 1975 figure of 140 tonnes.

David White adds from Par[illegible] The announcement of the U[illegible] gold sales had a limited effect [illegible] the active Paris market, whe[illegible] the gold price stayed above $1[illegible] an ounce to-day.

The 1 kilo gold ingot fell [illegible] just under 0.5 per cent. [illegible] Frs.25,400—a drop of Frs.1[illegible] The dollar price at closing w[illegible] down to $171.37 an ounce fro[illegible] $172.61.

The Paris gold market tends [illegible] be insulated from the overa[illegible] world market because of Fren[illegible] exchange controls, thus reflecti[illegible] the state of uncertainty or othe[illegible]wise only in the local forei[illegible] exchange situation, deale[illegible] observed.

The market to-day was on[illegible] slightly more active than that [illegible] yesterday, with gold dealin[illegible] totalling Frs.10.8m., compare[illegible] with Frs.9m.

Feature Page 22

$69m. quest for technology

BY OUR OWN CORRESPONDENT

BRAZIL'S NATIONAL Institute of Industrial Property (INPI) authorised $69m. in outlays on foreign technology in 1977. This year, outlays are likely to exceed $800m. (excluding technology tied to imports of specific equipment which the institute says, is hard to assess financially).

The Brazilian Government, faced with a $327m. technology deficit in 1977, has established new rules destined gradually to give the country autonomy in technology. Realisticall[illegible] absolute self-sufficiency [illegible] deemed impossible, since it do[illegible] not exist even in the mo[illegible] advanced countries.

No technology transfers wi[illegible] be valid unless they are fir[illegible] approved by the INPI, and pr[illegible]ference will be given to proje[illegible] that allow sectors such as th[illegible] electro-electronic industry [illegible] reduce its dependence on forei[illegible] expertise (more than four-fifth[illegible] of the industry is in forei[illegible] hands).

OVERSEAS NEWS

Long crisis feared after resignation of Beirut Cabinet

BY IHSAN HIJAZI BEIRUT, April 20.

[PR]ESIDENT ELIAS SARKIS and [po]litical leaders began consulta[tio]ns here to-day on forming a [ne]w Cabinet after the resigna[tio]n yesterday of the Govern[me]nt of Prime Minister Selim Hoss.

[M]r. Sarkis met Parliament [Sp]eaker Kamel Asad, who later [con]vened a session by the 99-seat [Pa]rliament.

[O]bservers, however, do not ex[pe]ct early results. Some believe [a p]rolonged political crisis may [set] in because of sharp differ[enc]es between the country's [Ch]ristian and Moslem leaders.

[D]r. Hoss told reporters his [Ca]binet of technocrats stepped [do]wn in an understanding with [Pr]esident Sarkis and that the [ma]in objective was to get [pol]itical leaders to assume re[spo]nsibility for running the [Go]vernment.

[I]nformed sources said Presi[den]t Sarkis still prefers the next [Ca]binet to be headed by Dr. [Ho]ss, who is a personal friend. [Tw]o other Moslem leaders, Mr. [Sa]eb Salam and Mr. Takieddin [Sol]h, are also tipped to head the [ne]w Cabinet. Both have served [as] Prime Ministers before

[R]eports in the Press here said [the] Cabinet resigned to pre-empt [atte]mpts at provoking another [rou]nd of factional fighting. A [tele]phone call from the Chief of [Mil]itary Intelligence while the [Cab]inet was in session yesterday [wa]s reportedly a factor in the [dec]ision by the Ministers to [resi]gn. The intelligence officer, [Ma]jor Johnny Abdo, reportedly [inf]ormed the Cabinet that militia [of] the predominantly Christian quarters of Beirut were closing schools and erecting barricades.

Later, Right-wing parties issued a call for the reopening of the schools and warned against attempts to close them.

A conflict between Dr. Hoss and his Christian Foreign and Defence Minister, Fuad Butros, was cited as another cause for the resignation.

Under the Lebanese system, the State posts are shared on a religious basis with the Presidency going to the Christians and the Premiership to the Moslems.

According to speculation in political quarters, President Sarkis is planning to hold talks with Syrian President Hafez Assad as soon as the latter returns from his current State visit to India.

About 30,000 Syrian troops constitute the backbone of the Arab peace-keeping force which is under the command of Mr. Sarkis.

A row had developed over the handling by the Syrians of the fighting with Christian militia in the Beirut suburb of Ain el-Rummaneh a week ago. Christian leaders demanded that those responsible for shelling the district be brought to trial.

The attitude challenged what was described as the legality of Syrian troops here and that of President Sarkis himself.

Observers noted the resignation of the Cabinet left President Sarkis as the sole legal authority. They added the President appeared to be determined to have it out with the politicians.

Big Israeli deficit likely

BY L. DANIEL TEL AVIV, April 20.

[ISR]AEL'S BUDGET deficit for [the] current financial year is [like]ly to be more than twice that [pro]jected in the budget, accord[ing] to sources close to the [Fin]ance Ministry. Wage rises [agr]eed this week for groups of [Gov]ernment workers and the [cost] of the Lebanon campaign [are] believed to have increased [the] projected deficit from [I£5.]7bn. (£22m.) as passed by the [Kne]sset to I£s.15bn. (£48m.). The [bud]get for 1978/79 was [I£]179bn. (£5.63m.). Last finan[cial] year's budget deficit was [I£]9.6bn.

[F]orecasts that the rate of in[flati]on would fall from last [yea]r's 40 per cent. to 30-35 per [cent.] in 1978 seem highly unrealistic partly because the Government is likely to have to meet the deficit by printing money.

Employees received a cost of living bonus of 12.5 per cent. on January 1, and a second of 7.5 per cent. on April 1. Wage increases of between 12-15 per cent. have been agreed for both industry and services, and a third cost-of-living allowance is almost certain to be paid on October.

While a proportion of this will be syphoned off in income tax and higher national insurance payments, especialy since income tax brackets have been shifted upward in line with the inflation, there will still be a substantial infusion of extra money.

Peking and Hanoi stay silent on clashes

By Colina MacDougall

OFFICIALS in Peking and Hanoi yesterday refused to confirm or deny reports that Chinese and Vietnamese troops had clashed along their joint border. Their unwillingness to comment suggests that recent Western accounts of tank battles and casualties there may be accurate but that neither side is prepared to discuss them publicly.

Tension continues along the Sino-Vietnamese border, according to senior Vietnamese officials quoted by Western reports. In an interview, published in to-day's Far Eastern Economic Review, an official, Hoang Tung, Editor-in-Chief of the Vietnamese Party newspaper, Nhan Dan, said the cause was a massive presence of Chinese troops along the border and a loudspeaker war.

There is speculation that talks about the border situation may be in progress in Peking since the Vietnamese negotiator, Phan Hien, is thought possibly to have returned to the Chinese capital to discuss Spratleys, the South China Sea islands, which are claimed by Peking, Hanoi and the Philippines.

On the Spratley's issue, Hoang Tung said in the reported interview that the Chinese would not even discuss the question, though he denied there had been any naval clashes there.

Meanwhile, Chinese relations with Japan are rapidly worsening as a result of last week's Senkaku Islands incident. In an exchange of near-insults, the Chinese Ambassador to Tokyo has described the Japanese Prime Minister's attitude to negotiations for the proposed Japan-China friendship treaty, which were interrupted by the incident, as "passive."

In reply, the Prime Minister, Mr. Takeo Fukuda, said the ambassador was "impudent" and was interfering in Japan's internal affairs.

In last week's incident more than 100 Chinese fishing boats, some armed, intruded within the 12-mile limit around the uninhabited Senkaku Islands, which fall under Tokyo's jurisdiction but Peking claim as Chinese.

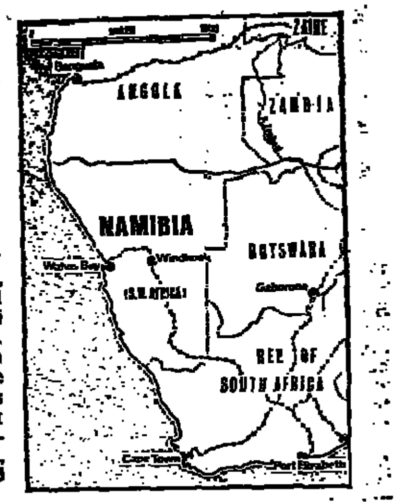
While the fishing boats have all withdrawn, the Chinese have not yet come up with a satisfactory explanation beyond saying the intrusion was accidental.

This hardly seems credible in view of the fact that the crews knew they were in Japanese claimed waters and took several days to leave the area.

NAMIBIA

Only a small gap divides the sides

BY BRIDGET BLOOM, AFRICA CORRESPONDENT



"Will you, won't you, will you, won't you, WILL you join the dance?"

THE REFRAIN from Carroll's Lobster Quadrille, perverse though it might seem, might well be sung just now by negotiators of five Western powers.

For over a year, representatives of the U.S., Britain, Canada, West Germany and France have been ferrying to and from Africa trying to persuade the parties to the Namibian (South West African) dispute to negotiate a settlement of the territory's future. Two weeks ago, the final proposals of the group of five were published.

But both Swapo, the UN recognised liberation movement, and the South African government which controls Namibia, are playing hard to get. Despite their efforts, the five still do not know whether these warring parties will agree to dance to the tune and follow the steps which they have so painstakingly devised.

The Namibian initiative has run in tandem with the Rhodesia peace effort, and has the same aim of securing a transfer to majority rule following one-man one-vote elections.

South Africa's occupation of Namibia, long ago declared illegal by the UN, is to be ended through a UN supervised operation which would carefully oversee a ceasefire, followed by the withdrawal of South African and Swapo military forces and then by an election. Independence is scheduled for December 31, though the five admit that the timetable is increasingly unrealistic.

Given the lack of trust between Swapo and South Africa, as well as between Swapo and many of the other inhabitants of Namibia, the western powers have managed surprisingly well to reduce the gap between the two sides.

There are probably now only two really difficult issues. South Africa has agreed to reduce its troops in Namibia (now estimated at around 20,000) to 1,500 "operational" men within three months of an agreement being signed. It has also apparently accepted that these forces should be confined to barracks (and be observed by UN forces) in the ensuing election campaign and be withdrawn totally before independence.

But Pretoria insists that the men should be in two bases in northern Namibia, while Swapo—which according to some reports is still insisting that there be only 1,000 operational South African soldiers—wants them based far away in the south. Swapo fears electoral intimidation in the northern Swapo stronghold or sudden military action against Swapo bases in Angola if the troops remain in the north.

The second problem concerns Walvis Bay, Namibia's only good port. It has a different juridical status from the rest of the territory and is—according to Pretoria—non-negotiable. Swapo insists that it is part of Namibia.

These are real problems, while any number of practical difficulties could arise were an agreement ever to be signed. But the real question now must be whether there is the political will on either side to close what is now a narrow gap.

Dr. David Owen, the British Foreign Secretary and Mr. Cyrus Vance, the U.S. Secretary of State, have invited the foreign ministers of Canada, France and West Germany to join them in an emergency meeting on Namibia. It is proposed that the five men meet in London on Sunday evening or Monday morning. Mr. Vance and Dr. Owen are expected to inform their colleagues of the discussions they held last week-end with Mr. Pik Botha, South African Foreign Miinster and Mr. Sam Nujoma, the Swapo President (and plan future strategy in the light of next week's special UN session on Namibia.

There are two opposing views of South Africa's intentions. One, cynically, holds that Pretoria has all along intended to go for an "internal" settlement and has negotiated with the western group only to gain time to put it into effect and to gain the sympathy of the west for at least trying to negotiate.

Events of the past year are used to justify this view. At least until February, for example, when the South American Foreign Minister abruptly left a key negotiating session in New York, the western powers believed South Africa was more prepared to make concessions than Swapo.

On the other hand, though there have been changes to the original internal arrangements which have appeared consonant with western demands, the Bantustan policy within Namibia, which is anathema to Swapo and the UN, remains intact.

The contrary view is that Pretoria has decided that its own border with Namibia would be more easily defensible than the long Namibian border with Angola, and has tired of the odium poured on its disputed rule of the territory, and wants to be rid of the problem: This seems to be the impression left on at least some of th Anglo American team which met Mr. Pik Botha, the South African Foreign Minister, last week-end. According to one source close to the meeting, Mr. Botha's demands for clarification on "four or five points," and the insistence that it must be the leaders within Namibia to-day who finally decide whether the package should be accepted, were more of a face saving xercise than anything else.

And Swapo? Here again there are differing views, though these stem primarily from the belief that Swapo's leadership is divided. Mr. Sam Nujoma, its president, whom western negotiators have found an obdurate and not very adroit negotiator, is held to be less favourable to an agreement than some of his colleagues. The western group however draw some comfort from its belief that the frontline African states are encouraging Swapo to adopt a flexible approach. Nigeria was apparently instrumental in getting the often elusive Mr. Nujoma to a meeting with Mr. Vance, the U.S. Secretary of State, in Dar-es-Salaam last week-end while even more important, Angola is believed to want a negotiated settlement in Namibia.

So will the dance be joined? In an apparent effort to provoke an answer from both sides, the western powers have endeavoured to have the issue discussed at the UN Security Council, but twice in the past ten days, the debate has been postponed. Now, Namibia is to come up at the long planned special session of the General Assembly, due to open on Monday. The western group approach it with some trepidation, if only because of the fear that Swapo's recognition by the UN might, given the majority of third world and Soviet bloc countries in the assembly, tend to reinforce Swapo intransigence, but the five, at least, are determined that the talking will go on.

Mining exploration almost abandoned in Rhodesia

BY TONY HAWKINS SALISBURY, April 20.

DUE TO the "deteriorating security situation" mining exploration has had to be "abandoned almost in its entirety," the president of the Rhodesian Chamber of Mines said to-day.

Speaking in Salisbury at the Chamber's annual congress, Mr. Ivan de Zwaan, a senior executive in the Anglo American group, said: "This cessation has resulted in redundancies and retrenchment of labour" at a time of rapidly rising unemployment.

But "perhaps even more worrying," he said, was the loss through transfer or emigration of experienced officials and skilled technicians.

It would be "costly, difficult and time-consuming" to re-establish the levels of mining exploration achieved in recent years but this would have to be a top priority when circumstances again permit.

Mr. de Zwaan's remarks about prospecting follow last year's publicised decision by the Anglo American group—believed to have been the largest prospecting organisation in the country—to withdraw its men from the field because of the security position.

Commenting on labour issues in the industry, the Chamber president said that while there were now many more blacks in training in the industry, fears expressed by white trade unionists that "lesser paid and qualified" Africans would be brought in to displace existing whites were "totally unfounded."

Mr. de Zwaan said the industry would be faced with "all manner of demands" for Africanisation higher wages and social changes. He appealed for a "balanced and pragmatic" stand on these issues saying it was essential to maintain the confidence of the whites.

"Any policy which is seen to be the precursor to the replacement of whites by blacks for purely racial reasons will be certain to herald an exodus of skills which we need so badly."

However, quarterly results for three major mining groups in Rhodesia published to-day give a somewhat mixed picture. The country's major copper producer, MTD Mangula has announced a 60 per cent. fall in taxed profits in the first half of the current financial year.

The interim dividend has been cut to three Rhodesian cents from eight cents last year and over the year as a whole, the group is predicting profits after tax of between £1.95m. and £2.3m.

This presupposes a sharp improvement in profit in the latter half of the year with Mangula anticipating it will earn at least twice as much and possibly more in the current year.

The Coronation Syndicate group, controlled by Lonrho, has announced sharply higher first half profit figures attributable to its gold operations. Net income rose to R1.88m. (being a South African-based group Corsynd publishes its results in that currency) from R556,000 in the comparable period last year—an increase of nearly 240 per cent.

This is attributable mainly to the fact that the Muriel gold mine almost doubled its profits from R558,000 in the half-year to March, 1977, to more than R1m. in the half-year just ended.

The gold producer Falcon Mines Ltd. announces its estimated net profit has risen 34 per cent. in the half-year to March 31.

After allowing for a much enhanced level of capital spending in the second half of the year Falcon is forecasting net profits available for distribution of a further £470,000 after £92,000 in the first half

LANDING AIDS DECISION

A breathing space for Plessey

BY MAY WILKINSON AND MICHAEL DONNE

THE SUDDEN decision of the International Civil Aviation Organisation to adopt an American aircraft landing aid is a big disappointment to Plessey of the U.K., which was pressing its altternative Doppler system.

However, the disappointment is greatly mollified by the additional decision to postpone the introduction of the new system by up to ten years. Originally it was planned to proceed to final specifications within 18 months, with full production models available in about five years.

At Wednesday's meeting of the ICAO it was agreed that the existing Instrument Landing System (ILS), of which Plessey is an important manufacturer, will not become obsolete until 1995.

Plessey believes that that will give a breathing space either to develop its own variant of the American system or to enter a collaborative development programme with American companies.

The decision followed an unexpected vote on Wednesday proposed by French delegates to a conference in Montreal that had earlier been expected to break up in disarray with no firm decision.

The voting was 39 in favour of an American-Australian variant of the U.S.-developed Time Referenced Scanning Beam (TOSB) system against 24 votes for the U.K.'s Doppler system.

The agreement to keep the existing system up to 1995 is likely to mean that new systems will not be installed much before the end of the next decade. During that interval, it is expected that ILS technology will advance further, so that the system eventually adopted will probably be a development of the TRSB rather than its present configuration.

The meeting in Montreal began on April 4. The Americans introduced some last-minute proposals with the support of Australia, the Soviet Union and West Germany. That led to the crucial vote.

The Montreal meeting has been significant in that it has not only highlighted a struggle between two rival systems for a world market that is expected to amount to more than £1bn. over the next 25 years or so, but also a clash of technological philosophies between Britain and the U.S.

From the business viewpoint, no single manufacturer or country will get a monopoly of the prospective business, for whatever new system is eventually chosen all the world's avionics (aviation electronics) manufacturers will be entitled to share in the business under the ICAO's rules. But, inevitably, whoever happens to have developed the winning system will have a headstart over its rivals in winning orders.

At the root of the whole struggle, which has now been going on for years, is the fact that world air traffic is relentlessly expanding, at an average annual rate of about 8 per cent. From nothing in 1945, passenger traffic has risen to 620m. passengers a year world-wide by 1977, and is likely to reach 1bn. a year in the mid-1980s. Keeping pace with this expansion has already imposed major strains on the aviation community, in the provision of adequate airports and ground transport systems, and not least in the provision of en route navigational and airport terminal landing aids to ensure a continued high level of safety along with a smooth flow of traffic, especially in the increasingly congested areas on the final approaches to airport runways.

One of the most important of these latter aids has been the Instrument Landing System (ILS), a device which sends out a radio beam in a fixed direction and angle from the end of a runway, providing a path down which an airliner can fly even in poor weather.

But, for all its merits, it has drawbacks, some of which are more critical at some airports (for example, in mountainous terrain) than at others. Among these are the fact that the ILS beam is single, fixed, and narrow, with a limited number of frequency channels, and that the beam can be distorted by signal reflections from surrounding buildings or high ground. This means, that at some airports, siting ILS can be difficult, expensive or even impossible.

This has led to much research over several years to find a suitable alternative. Most aviation technologists now agree that Microwave Landing Systems (MLS) are the best. These involve transmitting a wedge-shaped signal instead of a single, narrow beam, with a wide sweep and a greater degree of elevation in front of the runway, thereby creating a greater area of space in which a bigger number of airliners can be accommodated at any one time. Thus, MLS offers the chance of increasing the rate at which airliners can land in the busier years that lie ahead, without in any way reducing safety.

But while there is general agreement on MLS as the most suitable system for the long-term future, there is considerable difference of view as to which methods of utilising it are best. There has been some danger that there might be too many different MLS systems available, causing confusion and perhaps even jeopardising the safety that everyone wants to maintain. Thus, the International Civil Aviation Organisation, through its All-Weather Operations Division, set out some time ago to consider the variants, and to choose between them.

France in surplus by Frs1.2bn.

By David White

PARIS, April 20.

EFFORTS TO restore France's payments balance, reaffirmed as a Government priority by M. Raymond Barre, the Prime Minister, in his policy declaration to the new National Assembly yesterday, received an encouraging response in the March trade figures, which showed a seasonally adjusted surplus of Frs.1.19bn. ($258m.).

The figures reinforced February's return to a surplus and backed up the recovery, set in since last autumn. In February the adjusted surplus was a narrow Frs.64m. after a big shortfall of Frs.1.84bn. in January.

March exports, at Frs.31.13bn., were 8.8 per cent. higher than February's and 18.6 per cent. up on March last year. The increase in imports, which totalled Frs.29.94bn. after adjustments, was kept down to 4.9 per cent. over February and to 8.4 per cent. over the 12 months.

The exceptional setback suffered at the beginning of the year, however, left France's adjusted first-quarter trade balance Frs.598m. in the red. In the same three months of 1977 the deficit was Frs.5.4bn.

Saudi oil 13% down

The daily average for Saudi Arabia's crude oil exports in March was 13 per cent. down at 6,812,450 barrels, James Buchan writes from Jeddah. Aramco's share was 6,653,323 barrels a day, Arabian Oil Company 117,645, and Getty Oil 41,482. February's daily average was 7,509,609.

Tough EEC line urged on textile tariffs

BY RHYS DAVID

THE EEC is being urged by the U.K. textile industry to resist tariff reductions on fibre, textile and clothing imports in the GATT Tokyo Round talks unless other countries, and in particular the U.S., agree on similar moves.

The demand for a tough line comes in the latest report of the British Textile Confederation, where the current U.S. and Japanese approaches are described by the president, Dr. Brian Smith, as profoundly dissatisfying.

Dr. Smith, who is chairman of ICI Fibres, points out that EEC tariffs on textiles and clothing are already among the lowest in the world and that substantial reductions now need to be made by major EEC trading partners such as the U.S. The initial offers from Japan and the U.S. had contained, however, only a token move towards harmonisation. In particular the U.S. offer did little to remove the punitive duty—roughly 50 per cent. ad valorem—on wool cloth exports to that market.

"There must be full reciprocity in tariff reductions in the fibre, textile and clothing sectors. Failing this it would clearly be wrong for the EEC to reduce its already low duties unilaterally," he states.

Elsewhere in the report Dr. Smith warns that the extent to which the new Multi Fibre Arrangement agreed at the end of last year benefits the U.K. will depend very largely on proper enforcement of the provisions.

"Prompt and comprehensive monitoring is essential to ensure that quotas are not being exceeded, that other trade covered by agreements is not becoming excessive, and that restraints are sought at an early stage with significant new suppliers, and that the spiri agreements is not being by the deflection of trad

It was a matter of conc that other EEC countri not producing import rapidly as the U.K. Th at which action could b was determined by the member state.

On current prospects industry in the U.K. Dr. points out that the mar mains sluggish at prese no prospect in sight of a to the boom conditions early 1970s. Neverthel spite of its vicissitud British textile industry among the strongest, mo nically efficient and most tive in the world. It ha slimmed down substanti force of events and was n prepared to meet the ch when an upturn did co states.

Call for more Japanese investment

BY DAVID BUCHAN

BRUSSELS, Apri

A PROPOSAL that Japan might invest more directly in the EEC, and export rather less to the Community, was to-day put to a team of top Japanese industrialists, led by the president of the Keidanren, Mr. Toshiwo Doko, by the EEC Commission president Roy Jenkins and his colleagues.

The Keidanren team held talks to-day with the Commission and are to meet their counterparts from UNICE, the European employers organisation, here to-morrow, in what is seen here as "the practical follow up" to last month's joint EEC-Japanese ministerial communique.

Mr. Doko is understood to have welcomed the Commission's suggestion that direct Japanese investment should be the subject of further study. UNICE representatives also said they would favour Japanese companies setting up plants in Europe—provided these were genuinely created new jobs, and were "not just warehousing facilities for Japanese imports." The official position of the Confederation of British Industry, which is affiliated to UNICE, is that it favours direct Japanese investment, but some UNICE members, notably the are said to be more hesi

Mr. Jenkins also reiter the Keidanren team necessity for Japan to ma stantial concessions i current multilateral trad tiations.

● Senior officials from the U.S. and the EEC are in Washington on Apri discuss world steel pr According to Japan's Mini International Trade and try they will discuss the bility of establishing a committee to handle intern steel problems.

● The U.S. Treasur announced that welded st pipe and tubing from Jap being sold in the U.S. at le fair value, AP-DJ report Washington. The case is referred to the U.S. Intern Trade Commission

Italy steel export talks

BY PAUL BETTS

ROME, Apri

ITALIAN PRIVATE steel manufacturers are to hold talks with British producers in Brussels to-morrow to try to agree an upper ceiling of Italian steel exports to the U.K.

In Milan last night, Italian producers reached an outline agreement with West German, French and Benelux manufacturers establishing monthly Italian steel export limits this year of 24,000 tonnes to West Germany, 21,000 tonn France and 2,000 tonnes Benelux. In return, the producers would confo Community steel price tions.

Apart from the still unre question of Italian exp Britain, the European pro have yet to define the ra steel products affected export limits and the mec to enforce these upper c

German car output do

BY GUY HAWTIN

FRANKFURT, April

STRIKES TO press home a metal industry pay claim cost West German motor manufacturers a 3 per cent. fall in output last month. Even so, the industry has reported a pick-up in domestic demand, in contrast to February's weak sales figures.

The Verband Der Automobilindustrie (VDA), the industry's trade association, to-day reported that on a calendar-adjusted work-day basis, March's total output of 367,300 units was 3 per cent. below February's 343,197 units. Yet production during the first quarter remained about last year's level: 1,124,100 units against 1,124,743 in that period of 1977.

According to the VDA, demand for the industry ducts is stagnating. Shi

Commercial vehicle ma turers have done parti badly, with exports down cent. in the first quarter compared with the pr year. Shipments abroad de from 50,649 units to 41,400

Diana Smith adds from Janeiro: Volkswagen of exported $53.7m. wor vehicles, motors, gearbo other parts in the first of 1978—58.6 per cent. mo the same period of 1977 i and 30 per cent. more in

Fiat builds diesel cars

BY TERRY DODSWORTH

TURIN, A

FIAT IS moving into the expanding market for diesel cars with a new range of engines for its 131 and 132 saloons, to be launched in June in Italy and in most European markets this year. Fiat has set a target of 17,500 diesel sales in Italy this year and 3,000 elsewhere in Europe.

Fiat said at the Turin Motor Show that it is also developing diesels for the rest of its car range.

The 131 and 132 models will be powered by 2-litre a engines produced at F south Italy, a plant F jointly with Alfa Rom Saviem, the Renault su The engine range wa developed for light vans.

In Italy, diesels have e competitive running c cause the price of diese only about L150 a litre L500 for petrol. But t models will cost betwee and L1.2m. more than t dard petrol vehicles.

Water specialist group

Davy Bamag of London and Butzbach, Germany, a Davy International company, and Turriff of Warwick, have formed a new company, Davy Bamag Turriff, to offer turnkey projects, tailor-made for individual requirements, in water technology. It wil leover treatment of potable water, industrial service water, waste water and municipal sewage, recycling of water and general filtration. Services range from feasib ity studies and planning to commissioning of water and waste water treatment plants.

India, Syria pact

India and Syria have agreed to step up their trade with a view to helping Damascus reduce the excessively adverse trade balance it has in relation to India, our New Delhi corespondent writes.

India is to import 10,000 metric tonnes of rock phosphate from Syria on a trial basis. If the phosphate is suitable for the fertiliser industry, imports will be increased.

IADB policy study

The Inter-American Development Bank has agreed to establish a study group to examine a re-evaluation of the bank's functions and policies, AP-DJ reports from Vancouver. A resolution in those terms was sponsored by Argentina, Bolivia, Costa Rica, Dominican Republic, Honduras, Mexico and Venezuela at the bank's annual meeting. They want the agency's future policy of developing financing examined, with ways to allocate resources, new mechanis obtaining finance and tional, administrative, co operative adjustments bank.

S. Korea petroche

South Korea is to b $1.0bn. petrochemical ind complex, its third, beg early next year for com in 1982, AP-DJ reports Seoul. Commerce in minister Choi Kak-Kyu that foreign investors w allowed to participate i project. Gulf Oil and are reported to have show interest in the project.

Israel cement plan

Approval in principle has granted to an application local group of entreprene the West Bank to estab cement plant in conjunctio a French company, Fiver Babcock, L. Daniel writes Tel Aviv. The investme estimated at $40m., daily duction to reach 1,000 ton cement.

Arab mission to U

About 100 Arab bu leaders from ten countries opened two days of tal Washington aimed at expa U.S.-Arab trade, Reuter r Treasury Secretary M Blumenthal and Commerce retary Juanita Kreps lead Government participation talks. The group will also New York Houston, Los An and Chicago before retu home on May 3.

United Dominions 'lifeboat' loan cut

BY MARGARET REID

NITED DOMINIONS Trust, e largest beneficiary of the lifeboat" launched by the ank of England and the big anks four-and-a-half years ago uring the secondary banking risis, has now cut its borowings from support fund to elow £300m.

Its present £290m. loans total s the lowest for several years nd is less than two-thirds of he £460m. of lifeboat money e group had on loan at the eak of the crisis in 1974-75.

As a sign of the finance ouse group's improved confience, Mr. Len Mather, United ominions chairman, said yesrday: "We want to try and et rid of the lifeboat tag as far s UDT is concerned. We are eally borrowing from the big anks acting as a consortium t a market rate without penity because there is no risk."

But the company has not yet educed its support group borowings, to the point where it an prudently leave the lifeoat altogether. These funds till account for about twoirds of the deposits of the arent company.

redit

"Our borrowings from rivate and company depositors re good and rising and our orrowings from the joint ock banks are going down. his is happening gradually; it . a question of confidence" Ir. Mather said.

If the present £290m. of borowings from the support roup can be got down in time about £200m., this lifeboat oney could well be funded to a medium-term credit om some or all the banks.

Somewhat similar arrangeients were made when Bowaker and Keyser Ullmann ere "landed" from the lifeoat.

The other large borrower om the lifeboat, which still as something approaching 650m. owing to it, is the more roblem-vexed First National inance Corporation, whose ecent accounts at nearly orrowings were put in the 290m.

Asked yesterday about sugestions that a take-over offer ight be on the way for the nited Dominions Trust group, Ir. Mather replied: "I know f no bidder." The shares last ight closed 1p down at 39p.

Coal Board expects £7m.-10m. profit

BY JOHN LLOYD

TOTAL OUTPUT of the National *Coal Board rose marginally in* the past financial year—by 100,000 tons—compared with the previous year.

The NCB will declare a profit over the 12 months ending March 31, but probably less than half last year's net surplus of £27.2m.

Sir Derek Ezra, speaking in London yesterday, hinted that profits would be around £7m.-£10m.

The two factors which have *saved the Board from declaring a* much lower output figure, and possibly announcing a loss later this year, are the contribution to output made by opencast operations, and the early success of the productivity scheme.

Opencast output rose by *18.6* per cent., from 11.2m. tons to 13.3m. tons. At the same time, deep-mined output fell by 2 per cent. from 106.6m. tons to *104.4m.*

The fall in deep-mined output would have been greater without the contribution of the productivity scheme, which boosted the figure by 1.5m. tons.

The effects of the bonus scheme, which began in most coalfields early this year, have also shown in productivity figures.

In the last quarter of the year, output per manshift (CMS)—the standard *measure of productivity*—rose by seven per cent. *over the last quarter of the previous* year.

OMS at the face reached record levels *in the last two weeks of* March, standing at 174.6 cwts, 9 cwts more than the previous record set in May 1975.

Face workers earned an *average of £21.50* a week in incentive pay last month, except in South Wales and Kent, where productivity schemes were not fully operational. Other underground and surface workers earned an average £10 bonus.

Accidents

Accidents rose slightly, from 515 in 1976-77 *to 520 in the past* year. There was an increase from *11 to 24 fatal* accidents on underground haulage and transport systems. The total number of deaths rose *from 38 to 48.*

Sir Derek said that the increase in deaths was in no way attributable to the incentive scheme.

Sales of coal were down, by 2.2m. tons on 1976-77, to 118m. tons. The drop is accounted for by the sharp *decline in demand* from the steel industry, the *NCB's second largest customer.*

The steel industry took 14m. *tons of coking coal last year,* compared with 17.7m. tons in the previous year.

Increases in sales to the electricity industry—up by 500,000 *tons to 75.5m. tons—and to the* domestic and industrial market made up part of the shortfall.

NCB officials admit that there will be a problem in the short term in finding markets for their increased production.

While the *Central Electricity* Generating Board has agreed to take around 5m. tons more this year—providing prices remain stable—it will probably reduce *its requirements* later.

With an expected continuing depression in the *steel industry,* the NCB is looking to Europe to take a much larger proportion of exports than it has in the past.

The EEC is considering a pro*posal to subsidise coal transport* costs, which would help U.K. coal to be competitive within the Community.

Another Leyland director may leave

By Stuart Alexander

MR. ALLEN RUSSELL, director of marketing at Leyland's truck and bus division, is believed to be leaving the company just one year *after joining following a* clash with managing director Mr. Desmond Pitcher.

The row is thought to have centred on the control of the marketing operations of the four parts of truck and bus.

Last night Leyland would not comment except to say that Mr. Russell was not available.

He joined the company from Ford, where he was director of *truck product planning, and only* a few months after Mr. Pitcher took over at *Leyland.*

His role was one of central group marketing director reporting directly to Mr. Pitcher. Recently he helped in the re*organisation of the truck and bus* overseas marketing operation as Leyland International handed over responsibility in Europe.

Each of the four sectors of the division—buses, heavy trucks, light and medium trucks, and parts—*also has its* marketing director and they also report directly to Mr. Pitcher. He had planned the split of truck and bus into sections as part of the *reorganisation* when he took over.

Truck and bus, now renamed Leyland Vehicles and based at Leyland, near Preston, in Lancashire, is one of the profitable parts of *British Leyland.*

The retirement was announced yesterday of Mr. Geoffrey Warren, deputy chairman of Aveling-Barford and chairman of *Goodwin Barsby.*

Agreement reached on tanker lanes

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

A SCHEME to keep laden oil *tankers* and other vessels carrying dangerous cargoes at least 30 miles from *the French island of* Ushant was agreed yesterday by the United Nations maritime agency, IMCO.

The organisation's safety com*mittee met in London* to ratify a scheme proposed earlier this week by a *special working party* and which is almost identical to the proposals put forward by the French authorities at the end of last week following last month's *Amoco Cadiz disaster.*

Some details of the new scheme were resisted at first by Britain, mainly concerning the fact that the plan involves tankers switching lanes to enter another lane, off the Casquets rocks, further up *the western approaches to the* Channel. Under yesterday's agreement, masters will simply be recommended to turn at as broad an angle as possible into the Casquets separation scheme.

The new scheme includes a six-mile wide lane for north*bound tankers, with a six-mile* no-go zone between that and *new lanes for non-dangerous,* and coastal traffic. In all, tankers will be barred from coming closer than 30 miles from the Isle of Ushant.

The French are planning increased radar surveillance, which will undoubtedly lead to a marked increase in the number of vessels reported to *their governments of registration.* Nothing proposed yesterday will *increase* the penalties for misrouteing, however. The maximum fine in Britain for example, is £100.

The main problem for tanker *capitains resulting* from the decision will be that in the tanker lanes they will be unable to fix their positions by land lights

Oil areas handed back

BY RAY DAFTER, ENERGY CORRESPONDENT

OIL companies have handed back to the Government about 11,168 square miles of exploration territory in the North Sea under the conditions of past licences.

The blocks were allocated in 1972, under the fourth round of licences. Under the terms of these concessions companies had to relinquish at least half of the *original licensed area within six* years.

Mr. Anthony Wedgwood Benn, *Energy Secretary, said yesterday* that of the 102 licences covering 253 blocks, 39 covering 92 blocks had been surrendered. The remaining 63 licences, covering *161 blocks, would continue in* force but for the reduced areas.

Oil companies normally retain licensed areas if they have made an oil or gas discovery or if they *feel there is a chance of a discovery* being made in the future.

Of the 21,657 square miles originally licensed under the fourth round, 61 per cent. has *reverted to the Government.*

Accounts method 'distorts deficit'

By Peter Riddell, Economics Correspondent

BRITAIN'S visible trade deficit with the rest of the EEC is probably exaggerated by "some hundreds of millions of pounds" as a result of the method of cal*culation, according* to a Government analysis published to-day.

An article prepared for Trade *and Industry magazine shows* that an estimate of the visible deficit with the EEC based on calculations of country of origin and destination was £1.37bn. last year compared with the published figure of £1.99bn.

Mr. R. W. Green of the *economics and statistics division* of the Department of Industry, *Trade and Prices,* points out that trade balances between countries will vary according to the method of attribution adopted even though the U.K.'s balance with *the world as a whole is unaltered.*

He points out that problems can arise because although goods *can be* consigned from one country they may be produced in another. For example, imports from other parts of the EEC into the U.K. include some cereals which are produced in North America.

The article points out that in practice *it is extremely difficult* to measure trade balances with other countries on the basis of *calculations of country of* origin or destination. A typical definition is that the country of origin is the last country where substantial processing of goods has *occurred.*

The other main methods of calculation are based on the *country of* the seller and purchaser of the goods, and the country of consignment. The latter is used by the U.K.; the consignment method looks at the *country of the first shipment of* the goods to the U.K.

The consignment method added just over £620m. to the U.K.'s visible trade deficit with *the EEC last year compared with* the country of origin method. The gap was £744m. in 1976 and £512m. in 1975.

Business jet sales total 400

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

WORLD SALES of British Aerospace's HS-125, the business jet aircraft, have reached 400, *worth* £200m., with the latest sale announced yesterday to the J. A. *Jones Company,* of North Carolina, a U.S. building and construction company.

Of the total, 80 per cent. have been exported to 28 countries, and the value of this business about £145m. The largest market has been in North America with 229 aircraft sold, representing exports worth £110m.

The HS-125 is Britain's best-selling jet aircraft since the Viscount of the 1950s and 1960s.

The HS-125 has been developed through a large number of variants, each offering improvements in performance and capa*bility.* The latest version, the Series 700, has increased speed, cabin area, range and greatly improved equipment standards over the original aircraft, which made its first flight in 1962.

It has flown more than 1m. hours in world service and is *proving to be among the* continuing major export successes of British Aerospace.

So far, 42 of the new Series *700 version have been sold,* and production is being increased at the company's factory, at Chester, to meet increasing demand *for the aircraft especially from* overseas.

Safeguard for Welsh jobs

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

THE Welsh Development Agency yesterday helped to link the Scottish chain-making and *engineering group* Wheway Watson with Loveridge, a small Cardiff manufacturer of lifting equipment, in a *step* intended to strengthen Wheway's operations in Wales and safeguard jobs in Loveridge.

Wheway has acquired Loveridge from its parent, Con*structors John Brown, in a share-*exchange deal. The agency is to take a 6 per cent. stake in Wheway worth £168,000, a sum larger than the value of Loveridge.

By the time Loveridge is absorbed into Wheway, the Scottish company will have 100 *people working for it in Wales* and its operations in the principality will be strengthened.

According to the agency, Loveridge did not fit easily into the *John Brown set-up.* Brown specialises in engineering design and Loveridge is a manufactur*ing operation,* largely concerned with wire-rope pulley blocks and other *lifting equipment.*

Drugs makers challenge Ennals figure

BY KEVIN DONE, CHEMICALS CORRESPONDENT

THE DRUGS *industry yesterday* challenged figures which the Department of Health produced in its campaign to reduce the National Health Service drugs *bill.*

Mr. David Ennals, Health Secretary, said that the nation's spending on drugs had doubled in real terms over the last ten years.

But the Association of the British Pharmaceutical Industry claimed yesterday that the spending had risen by only 40 per cent. *since* 1967.

The price of medicines charged by manufacturers was less than 8 per cent. of total Health Service expenditure.

The Department of Health was quoted as saying this week that the *number of prescriptions* written by doctors had risen from 295m. in 1974 to 380m. last year.

The *association said yesterday:* "The 1974 figure was for England and Wales only, while the 1977 figure was for the whole of the U.K."

The Department had omitted *to say that part of the reason* for the rise in prescriptions was the increase in life expectancy and the growing needs for medicines for an aging population.

Mr. Ennals said that about £30m. a year would be cut from the £600m. a year annual drugs *bill, mainly by cutting generally* available drugs such as slimming pills, tranquilisers, laxatives and vitamins. Cuts would be made at the discretion of individual doctors.

February building orders slip

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

IE VALUE of orders won by ntractors for U.K. building rk slipped in February, *cording to the Department of* e Environment.

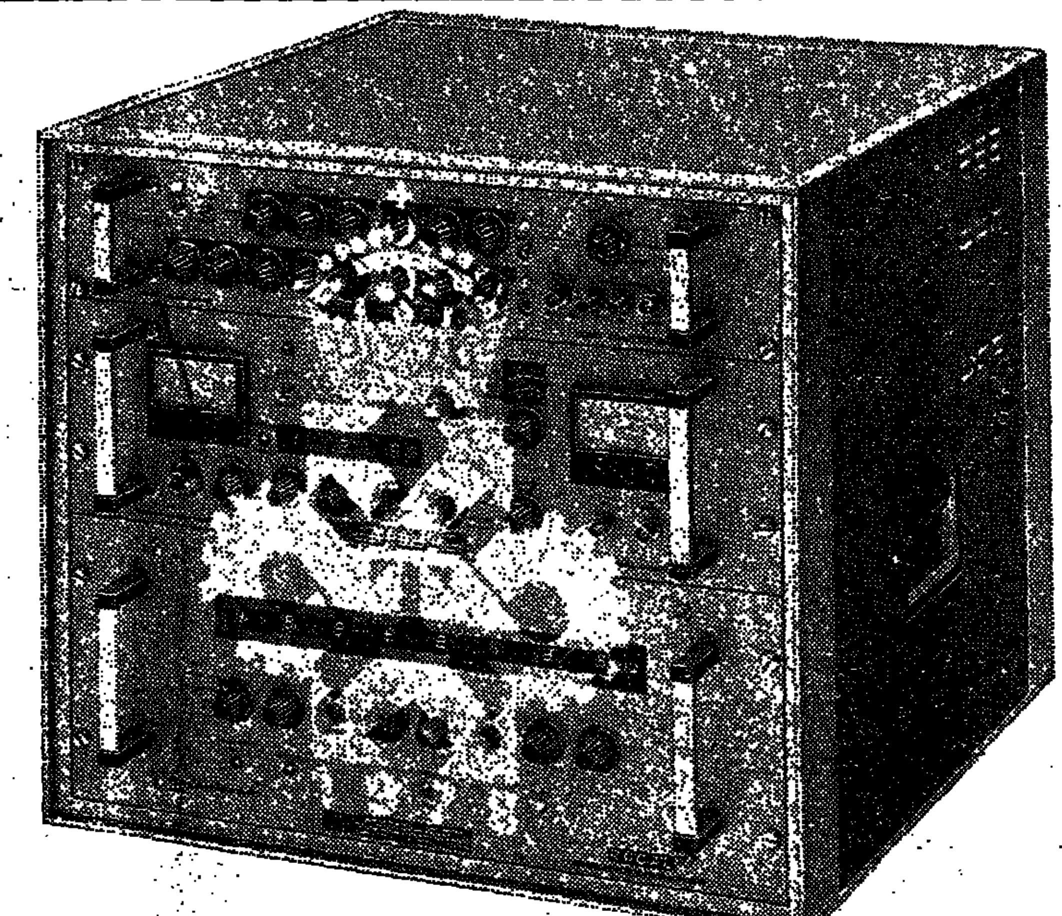
Provisional estimates suggest at the *current price value* of ntractors' orders obtained ring the month fell to £652m. ainst £671m. in January. The ure represented a considerable provement on the £442m. reded in the same month of 77.

The *department says that* hen expressed in constant ices adjusted to *exclude* seanal variations, total new orders *in the three months from December* 1977 to the end of February were 6 per cent. up on the previous quarter. When compared with the level of contracts being won in the same quarter a year earlier, orders in the latest three-month period under review *were 16 per cent. higher.*

Total orders last year were 7 per cent. down in value on 1976 while the value *of* construction output declined by about 2 per cent.

It seems clear that the recession, which has hit all sectors *of the civil engineering* and building industry, has bottomed out, as evidenced in the most recent official figures on orders and output, although only a marginal improvement in activity is expected to be recorded in 1978 when compared with last year.

According to the department's latest figures, new orders in the *public housing* sector in the December-February quarter were 6 per cent. up on the preceding three months and 7 per cent. higher than a year before. Private housing orders were down 2 per cent. on the previous quarter but 34 per cent. better than during the same period 12 months earlier.



CBI sets 3.5% growth target

Financial Times Reporter

THE U.K. economy should be able to grow at 3.5 per cent. per annum for the next four years and create 1m. extra jobs, Mr. John Greenborough, president of the Confederation of British Industry, said yesterday.

But public spending would need to be held back to reach the target growth rate, he said at an American Chamber of Commerce lunch in London.

Similar growth rates had been achieved in the past and were possible again.

Mr. Greenborough attacked Mr. Denis Healey for failing to reward industry in his recent Budget, and reiterated the CBI's *recent pledge to* lobby for tax cuts up to £900m.

"Business received virtually nothing and the Chancellor missed an unprecedented opportunity to encourage middle management to take risks. We have to turn on the chaps at the sharp end of business," he said.

The £900m. tax cuts, comprising a 2p reduction in standard rate income-tax (£700m.) and alterations in higher rates, would *be financed by reduced public* expenditure, less cash for the National Enterprise Board, and money from the public spending contingency reserve.

The CBI had no guarantee that its campaign would succeed, but it would lobby as hard as possible, Mr. Greenborough said. *The nation was beginning to* accept that business must be profitable to survive.

Earlier, Mr. Hugh Parker, president of the American Chamber of Commerce in the U.K., said that the balance of legislation had tilted too far against the private sector in Britain. Only a stronger CBI could highlight the practical consequences of these shifts.

BAA loses airport bid

THE BRITISH Airports Authority's £2.8m. offer for Newcastle Airport has been rejected.

The North East Regional Airports Committee said yesterday that the bid was entirely unacceptable and would have to be improved substantially if the take-over was to go ahead.

The committee also wants an assurance from the BAA that it will continue with plans to extend terminal building, expand the cargo depot, build a new station and improve passenger access to aircraft.

Budget fiscal policy risky, say Greenwell

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE GOVERNMENT has adopted a risky fiscal and monetary strategy in the Budget since the likely outflow of funds from sterling could easily snowball out of control, stockbrokers W. *Greenwell and Co. say in their* latest Monetary Bulletin.

They argue that the monetary aggregate which will indicate inappropriate fiscal policy will be domestic credit expansion, and this will be nearer £7bn. in 1978-79 than the £6bn. figure *indicated in the Budget speech.*

The flow of funds out of sterling "will help to reduce the growth of the money supply, and therefore, the amount of gilt-edged stock which the Bank of England needs to sell will be less than indicated in the Budget speech. This is a risky strategy because an outflow of funds can easily snowball out of control."

The bulletin examines in detail the real stance of fiscal policy set out in the Budget. This is defined as the public sector financial deficit, which differs from the borrowing requirement *by excluding certain financial* transactions.

This is expressed as a percentage of Gross Domestic Product after adjusting for inflation and external factors not caused by developments in the domestic economy, notably the rise in the *oil price in 1973.*

Compared

The trend is compared with the level of notified vacancies and it is noted that the expected real stance of fiscal policy in 1978-79 is similar to the actual stance of 1972-73.

However, in spite of the parallels Greenwell "are not suggesting there will be a repeat of *the dismal events of 1973* and 1974. The commitment to monetary targets and the awareness of financial markets will stop this from happening."

The bulletin says "the Treasury's forecast for the public sector financial deficit is incompatible with some of its other forecasts."

The brokers stick to their view that funds will flow out of sterling and inflation will rise, *which will result in additional* Government revenue from taxes.

Consequently the public sector financial deficit may be somewhat lower than *the Treasury's forecasts* for 1978-79.

The main impact of this will be in the following year. Higher inflation will *also reduce real* fiscal expansion, which will help to make the fiscal and other forecast compatible.

It is pointed out that bearish expectations have already led to a rise in gilt-edged interest rates.

"When the flow of funds out of sterling loses momentum the gilt-edged market is likely to attract investors. Substantial official sales of gilt-edged stock may occur somewhat sooner than the Chancellor implied. This will also help to curtail excessive monetary growth."

Kepone not a killer and safe to be incinerated, say makers

FINANCIAL TIMES REPORTER

THE CHEMICAL Kepone was not a killer and it was guaranteed there would be no danger if it *were incinerated at the company's* plant at Pontypool, South Wales, Re-Chem International said yesterday.

Kepone was a mildly toxic pesticide. Mr. Jim Garrison, of Allied Chemicals the American manufacturers said in Cardiff. It caused trouble only when mishandled in manufacture.

Local people threatened to blockade the Pontypool plant recently when Re-Chem confirmed it planned to burn 10 tonnes of Kepone products there, and the Health and Safety Executive put a temporary ban on the operation.

Kepone has been banned in the U.S. after chemical sorters complained it had damaged their health.

Dr. Arnold Coleman, Re-Chem managing director, said Kepone had been described quite inaccurately as a killer. "Kepone is just another chemical. We already *destroy far more toxic chemicals* at our other three plants in Britain.

"There is no chance of Kepone's getting into the atmosphere. It would be shipped from America in a sealed container and in drums which would go straight into the incinerator."

Mr. Garrison said there were no suitable incinerators to destroy the 55-gallon drums of Kepone in the U.S.

Re-Chem claims to be world leaders in chemical waste disposal.

Dr. Coleman said he had absolute confidence the executive would give the go-ahead for the destruction of the chemical. He had not given up hope of allaying local fears.

Pontypool residents met last *night with the aim of getting* the Re-Chem plant shut down.

Ports nationalisation warning

FINANCIAL TIMES REPORTER

MR. JIM DAVIDSON, deputy chairman of the British Ports Association, said yesterday that there should be no further nationalisation of the ports.

The monopolistic ports industry would remove competiton, and the ports would lose their adap*tability, initiative and independence.* He was speaking at the association's annual lunch, attended by Mr. William Rogers, Transport Secretary.

Ports under the umbrella of the British Transport Docks Board handle about a quarter of British ports' annual tonnage.

Mr. Davidson said that docks were now faced with the "liability" of having to take men from outside the ports on to the dock labour register.

He also believed that legislation would discourage development of work—warehousing and material handling—which could *rejuvenate docklands and provide* employment for men leaving the docks register.

Mr. Rodgers has asked the National Ports Council, in discussion with port authorities and other groups, to analyse the ports industry and to recommend plans for the future.

He said that improving the efficiency and cost effectiveness of ports was crucial to the British economy.

● Dr. A. W. Taylor, chairman of the Tees and Hartlepool Port Authority, has been appointed chairman of the British Ports Association.

Dr. Taylor, who retired as chairman of ICI Petrochemicals Division in 1976 after 30 years with the company, replaces Mr. Donald Redford. BPA chairman since 1974. Mr. Davidson remains chairman of the National Association of Port Employees as well as becoming deputy chairman of the BPA.

Sun plan to print edition in Scotland

By Our Glasgow Correspondent

THE SUN newspaper has approached George Outram, publisher of the Glasgow Herald, to contract print its Scottish edition of about *200,000 copies.*

Although negotiations have only just begun, The Sun hopes to have reached agreement by the beginning of next year when Outram is due to move into the former Scottish Daily Express and Scottish Daily News building in Albion Street.

The building is being re-equipped with photo-composition equipment under a £10m. scheme for the Herald and Evening Times newspapers.

Competition

Mr. Bert Hardie, managing director and chief executive of The Sun and the News of the World, said yesterday he believed that if it had Scottish printing facilities The Sun *could greatly increase sales* north of the border, where it is in competition with Mirror Group newspapers' Daily Record and also to a lesser extent the Daily Mirror itself.

Mr. Hardie said that at present about 170,000 copies of The Sun—published by News International—are being transported daily from London to Scotland, rising to a peak of 200,000 during the summer tourist season.

The Sun is not planning an increase in its editorial staff in Scotland, which is only three journalists, all based in the News of the World office in Glasgow.

Board mill extension deals signed

Financial Times Reporter

THAMES BOARD MILLS has signed the main contracts for an £33m. extension of its Workington pulp and board manufacturing plant.

The new plant is scheduled to start production in 1980.

Beloit Walmsley of Bury is to build a 5.4 metre board-making machine with a capacity of 100,000 tonnes.

Taylor Woodrow Construction is to undertake the civil engineering work. Site work is due to start this month. Civil consult*ants to the project are* Babtie Shaw and Morton of Glasgow.

Thames Board Mills, a subsidiary of Unilever, is to recieve £23.5m. in Government subsidy for the project. About 255 jobs will be created in the mill, and a further 350 in the forestry and transport industries of Scotland and the North of England.

Bryant directors jailed in corruption case

FINANCIAL TIMES REPORTER

A DIRECTOR and two former directors of the Bryant construction group were yesterday given jail sentences of up to five years on corruption charges.

The three men had pleaded guilty at the Old Bailey to charges arising from the corruption of Mr. Alan Maudsley, the former Birmingham City architect who was himself jailed for corruption in 1974.

Earlier this week, Mr. Alan Christopher Bryant, chairman and managing director of Bryant Holdings, was cleared by an Old Bailey jury of two charges alleging conspiracy to corrupt.

He told the court he had never had the slightest suspicion that corruption was taking place and had no idea that documents were being falsified and names deleted from hotel bills.

Bryant Holdings is a civil *engineering, housebuilding and* property development group based in Solihull, West Midlands. In its last financial year it reported a pre-tax profit of £2.66m. on a turnover of £65m.

The group's interim figures published last month showed a first-half pre-tax figure of £1.17m. against £1.07m. for the corresponding period the previous year, on a reduced turnover of £32m. against £33m. before.

The group, in which Taylor *Woodrow* recently purchased a 5.25 per cent. stake, operates throughout the U.K. and has recently started contracting operations in the Middle East.

The three men sentenced yesterday were Mr. Maurice Barwick, 52, of Lapworth, Warwickshire, who was jailed for five years and banned from holding a company directorship for a similar period; Mr. Raymond *Samuels*, 51, of Knowle, Warwickshire, who was sentenced to four years' imprisonment; and Mr. Ernest Hubball, 45, of Loughborough, *Leicestershire, who was* given three years.

The allegations involved the entertaining of Mr. Maudsley on golfing trips to Ireland and visits to places such as Ascot racecourse. Sentencing the men, Mr. Justice Melford Stevenson said the company had converted Bir*mingham* into a "municipal Gomorrah."

Revulsion

He continued: "No one can look at the many closely typed pages recording regular bribes distributed by the Bryant com*pany without a feeling of revulsion.*"

Addressing Barwick, a senior director in the company, the judge said: "It is quite obvious that you lent yourself to a scheme designed to bribe a large number of people from whom it was thought worth while to buy favours."

Recipients of gifts ranged from clerks of works up to aldermen, chairmen of committees of various kinds and, indeed, any*one who had influence.*

"I fully appreciate and, indeed, give weight to the fact that you, Hubball, once the balloon had gone up, exhibited a degree of frankness which I think was quite inconsistent with the traditions of the company by whom you were employed.

"You were very honest open in your dealings with police. But that, unhappily, after the trouble had broken

"Corruption on the scale this case has revealed is a serious matter of public int *It is not in my view to be li* treated."

Mr. Brian Appleby, QC Hubball, said he was basi a decent, honest and hard- ing man. He had been empl by Bryant's all his working and had made his way up a quantity surveyor to com director.

Mr. Escott Cox, QC, for wick, said his client had jo the Bryant company str from *school and rose rapid*

"If he had a fault, and he or he would not be here, it an excess of zeal and loyal the company and to its found.

Barwick had not been instigator of the corruptio the company, said Mr. Cox.

Mr. Philip Otton, QC, *Samuels*, said his client's usefulness was that he w bachelor readily available make up a party and on occa to organise one.

Samuels first went on a go trip to Ireland in 1967 replacement for Hubball. first these trips were enjoya said Mr. Otton.

But after Maudsley form relationship with his girlfri a Miss Saul, he would excuses to get to Ireland as o as possible. As he became r greedy and demanding, Sam and the other directors felt had to fall in with his wish

Ashley Ashwood

FT man given Wincott Foundation award

Michael Lafferty of the Financial Times yesterday received *the 1977 Wincott Foundation* award for the best financial journalist under 28 from Mrs. Joyce Wincott at a luncheon in London. Mr. Lafferty will receive £350. The awards are for outstanding achievement in economic and financial journalism. The senior award —*financial journalist of the* year—goes to Christopher Fildes, who wins £700. Mr. Fildes is best-known for contributions to Investors Chronicle and Euromoney. The provincial award, worth £500, goes to Bernard Dineen of the Yorkshire Post. This year the *Press panel considered work* from outside the customary financial and economic columns and it highly commended a series on wages, productivity and inflation in The Times by its editor, Mr. William Rees-Mogg, who receives a special award of *books — the collected works* of David Ricardo. The Wincott Foundation commemorates Mr. Harold Wincott, former editor of the Investors Chronicle and a Financial Times columnist, who died in 1969.

Scotch whisky exports rise by 7%

EXPORTS of Scotch wh totalled 24,775,000 proof gal in the first three months of 1 an increase of 7 per cent. c pared with the same period year.

Value was *£142.37m., a rec* for the first quarter and 17 cent. up on the correspond period last year.

Last year Scotch whisky ports earned a record total £512m.

Sales in the home market "much less buoyant follow the last increase in excise d which added 31p to the re price of a bottle," said the Sco Whisky Association. Tax accou for 80 per cent. of the sell price.

The latest Customs and Exc figures "illustrate the way which Government income fallen following the most rec increase in excise duty.

"In the first 10 months of financial year just ended reve from duty on Scotch whisky by almost £25m. compared w the same period of the previ year," the association adds.

Housing aid of £144.6m. given to London

By John Brennan, Property Correspondent

THE HOUSING Corporation plans to finance 9,600 new or renovated homes in London in 1978-79 at a cost of £144.6m.

London housing is to take 37 per cent. of the corporation's expenditure next year, more than £89m. for house improvement and conversion and £54m. for the construction of 3,600 new home.

The corporation is spending 11 per cent. more on London this year "in recognition of both the scale of housing need and the ability of *London's* strong network of non-profit making registered associations to make the best use of the resources available to them."

The inner London boroughs that will share the bulk of this finance are: Brent, Camden, Hackney, Hammersmith, Haringey, Islington, Kensington and Chelsea, Lambeth, Lewisham, Newham, Southwark, Tower Hamlets, Wandsworth and Westminster.

For England as a whole the corporation is to make housing association loans of £388.9m. Its *housing programme this financial* year involved the building or improvement of 31,000 homes in England and 2,000 in Wales.

Carved emerald brooch sold for record £¼m.

AN EMERALD and diamond brooch belonging to the Duke of Northumberland sold for *£250,000* (plus the 10 per cent. buyer's premium) at Sotheby's yesterday. It was an auction record for an item of jewellery sold in London and the price—paid by Hilton Jewellers—was comforably above forecast.

The brooch was probably made

SALEROOM

BY ANTONY THORNCROFT

for the third Duke of Northumberland in about 1820, but it *incorporates large emeralds* almost certainly brought back from India by Clive, whose grand-daughter married the third Duke.

There is Mughal carving on the large emerald dating back to about 1620 and this would appear to be the earliest known example of Mughal gem carving.

All told the jewellery sale realised £545,398, with 13 per cent. bought in. Moussaieff paid £16,000 for an unmounted sapphire weighing 6.15 carats. An emerald, pearl and diamond bangle of about 1845 sold for £11,500.

A *Sotheby's auction of 19th* century drawings and watercolours totalled £88,969, with 11 per cent. bought in. A 1925 view of Berlin by Lesser Ury sold £7,000 and Le Massage, Felicien Rops, made £3,1 Another watercolour by Rops, Tentation du Livre, also sold £3,100. Rebeka und Elizer Brunnen, by Joseph Kc fetched £4,400.

Christie's held the first of a Continental picture auct and brought in £226,690. Winter Street Scene by M *Bianchi sold for £14,000* another winter scene by Bian this time of the coast, for £9. The Flower Girl, by Feder Andreotti, went for £9,000.

The sale continues to-day.

At Sotheby's Belgravia a B nard Leach St. Ives stonew vase was bought for £1,900. same sum secured two lots stoneware produced by the M tin Brothers. A vase by Mark Marshall sold for £1,600— auction record for this potte

Mallets, the London dea paid £13,500 for a pair of George II giltwood side tab with marble tops in a sale Christie's of English *furnit totalling £194,140.* A *mahog* bureau cabinet probably m by William Vile made £13,(In other lots, a Chinese Corom del lacquer 12-leaf screen of late 18th century, made £9.5 the London dealer Woods Wil paid £9,000 for a set of George I gilt-gesso side cha *paid £7,800 for a set of ei* George III mahogany open ar chairs and a pair of matchi sofas.

Chemical plants to save more energy

By Kevin Done, Chemicals Correspondent

THE CHEMICAL industry, a leading user of energy both as fuel and feedstock, is taking steps to improve its conservation record.

Imperial Chemical Industries, one of the largest U.K. companies, has cut the average amount of energy it uses to make a standard weight of product by about 18 per cent. since 1971.

It estimates that if usage had continued at the 1971 rate, it would have cost an extra £40m. last year.

The most significant savings have come from the use of radically new plants and processes. But energy expenditure has also been cut by the better running of existing plants and by process modifications.

In the speciality chemicals sector, Joseph Crosfield, a subsidiary of Unilever, has cut its energy use by about 15 per cent., it announced yesterday.

This has been achieved partly by re-cycling of heat energy and partly by plant modification. Crosfield now spends about £4m. a year on oil, electricity and natural gas, an annual reduction of £500,000.

Total spending on energy saving projects over three years is about £1m. And further expenditure has been sanctioned to improve furnace design.

However, the greater part of the chemical industry's total energy consumption is still accounted for by a small group of large companies. Among them BP Chemicals announced last year that it was spending £25m. on 40 energy saving projects.

Albright and Wilson, the phosphorus chemicals manufacturer, says that it is now saving energy at a rate of £2.5m. a year, since it began a campaign to stop energy waste. It is also planning a further £1.7m. saving through investment in new equipment and plant.

The Greater London Council is soon to carry out the first stage of a survey into waste produced by industry and commerce.

Dr. Gordon Taylor, chairman of the GLC's public services and safety committee, said "We know relatively little about the waste produced in London's [illegible]0,000 industrial and commercial premises. The results from this major London-wide survey will enable the GLC to forecast the quantity and types of industrial waste and plan for safe and efficient disposal well into the 1980's."

Shell denies Liberal claim of 'opting out'

BY RAY DAFTER, ENERGY CORRESPONDENT

THE SHELL oil group last night denied allegations that it had opted out of its "social responsibility" by ending supply contracts with 1,500 petrol stations.

Mr. Malcolm Bruce, deputy chairman of the Scottish Liberal Party, said yesterday that he had written to Mr. William Rodgers, Transport Minister, expressing his "concern" at the move.

"It seems to me that Shell is opting out of its social responsibility to supply petrol on reasonable terms in country areas," he said.

"If other major oil companies were to follow suit, the results could be disastrous, making life in rural areas—already suffering high cost—prohibitively expensive."

Mr. Bruce also called on the Government to consider a flexible petrol tax to encourage parity betwen urban and rural petrol prices.

Shell said that Mr. Bruce had his facts wrong. The group had written to 1,500 small garages in rural and urban areas telling retailers that, over the next five years, it would not be renewing exclusive supply contracts.

Under these contracts, Shell supplied petrol, at a discount when local competition forced down pump prices, provided advertising equipment and helped with maintenance and decoration.

In future, Shell would be prepared to sell petrol to these sites on a commercial basis but it would not renew dealer contracts. Contracts involving small deliveries were not a commercial proposition, Shell said.

The Royal Dutch/Shell Group's latest annual report says that because of surplus capacity throughout the oil business and strong competition, the group was concentrating its investment in the retail sector on renewing assets and restructuring networks to obtain greater efficiency.

"In the difficult market situation of 1977, the importance attached by customers to the Shell brand confirmed the value of this asset and the need to preserve it."

Dr. Austin Pearce, chairman of Esso Petroleum, says in his annual report that Esso is not making an adequate return on downstream businesses. Competitive pressures prevented companies charging prices that would be permitted under Government regulations.

Even so, volumes of oil products handled by Esso last year grew a little and were ahead of the national rate of increase.

The report also says that Esso is expected to spend an extra £1bn. on North Sea exploration and development in the next five to seven years.

The group was already committed to spending £1bn. on projects like the Brent Field development.

Labour News, Page 11

Shell and Esso reports, Page 26

BR renews attempts to sell station site

BY OUR MIDLANDS STAFF

THE British Rail Property Board yesterday met Birmingham local authority representatives to discuss the derelict six-acre Snow Hill Station side.

In 1973 planning consent was granted for offices and a sports complex on the centre-city site but the scheme was abandoned after the property market collapsed.

BRPB is prepared to sell part of the site and has reopened negotiations with the local authority, which owns a small corner.

Developers are to be invited to submit proposals for offices, a leisure centre and possibly a casino.

Three and a half acres of the site are reserved for a bus and train interchange, with offices built above.

However, uncertainty about the way in which the development land tax would be applied seems likely to limit interest by developers unless the local authority can offer incentives under the Inner Cities Renewal Scheme.

The Board has sold 280 acres of its property to West Midlands local authorities in the past 10 years and sale of another 92 acres is being negotiated.

Five industrial / warehousing sites totalling 620,000 square feet on 35 acres in Birmingham, Wolverhampton and Halesowen are under development, while a £7m. scheme at Walsall Station was started in January by Prudential nominees and the Rugby-based Viking Property Group.

East Anglian bus company loses £½m.

EASTERN Counties Omnibus Company, which operates services in East Anglia, made a loss of more than £569,000 in Norfolk last year, £136,000 more than the previous year. The company may get a subsidy of £300,000 from Norfolk County Council to keep buses on the road.

The county highways and Transportation committee, which meets next week, is being recommended to pay the £300,000 subsidy which is £50,000 more than last year. The bus company raised fares in January by 11.5 per cent. but says increased fares are not matching rising costs.

Merchants urged to support paper industry

Financial Times Reporter

PAPER merchants were told by their association's new president last night that they should give better support to the U.K. manufacturing industry.

Mr. Tony King-Smith, president of the National Association of Paper Merchants, said at the annual meeting that over-capacity in the industry was creating a weak market, while production costs were still rising.

Merchants should reappraise the support they gave through sales promotion to British paper and board manufacturers. At the same time the mills should take a positive attitude towards the merchants.

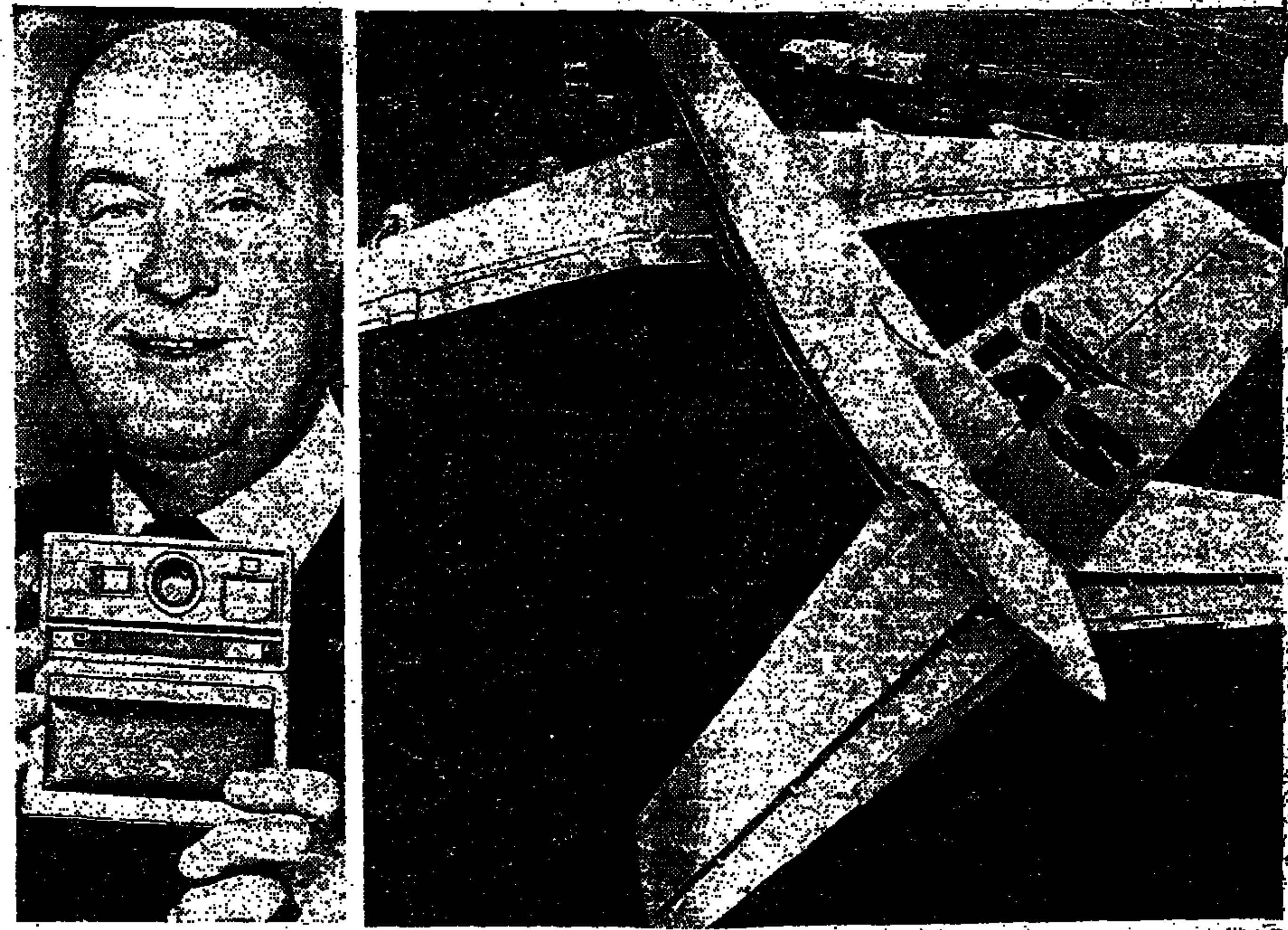
He said: "The very survival of the British paper and board manufacturing industry depends on the strength of the home market.

"Without a strong British paper and board manufacturing industry our position as distributors of these products would be seriously eroded."

The Queen's Awards

FOR EXPORT AND TECHNOLOGY

Her Majesty the Queen has made 107 Awards to British companies for export achievement this year and 17 for technological achievement. The following were among the winners.



Mr. Jim Moorfoot, chairman of Kodak, with an EK6 Instant camera (left) and an IAS Cargo Airlines DC8 freighter.

AWARDS FOR
Export Achievement

Alginate Industries

THE ONLY U.K. manufacturer of alginic acid and related products derived from seaweed, the company exports to markets throughout the world and has more than doubled the value of its exports, which represent about 75 per cent. of total sales over a three-year period.

The Associated Portland Cement Manufacturers Ltd.

A LEADING manufacturer of cement and allied products which also supplies plant and equipment for cement manufacture, as well as offering consultancy services in this specialised sector. Its products, under the brand name Blue Circle, are exported to over 100 countries.

Balfour Beatty

CIVIL, electrical and mechanical engineers and contractors, this company, whose previous export achievements were recognised by an Award in 1973, have continued to expand their activities on a world-wide basis and more than doubled their overseas earnings over a three-year period.

Bland Payne Holdings

THE PARENT of a group of international insurance and reinsurance brokers which has concentrated on developing overseas markets and in acquiring expertise in such specialised areas as oil exploration insurance, the company's operations are world-wide and it has established local offices in all the important markets.

Booker Agriculture International

PART OF Booker McConnell, the company provides management, consultancy, technical, training and other services for agricultural and agro-industrial projects in tropical, sub-tropical and arid areas. The skills employed include: agronomy, agricultural engineering; irrigation and drainage; pedology factory engineering and technology; project planning and design; manpower development and training. Over a three-year period, overseas earnings have more than doubled.

British Steel Corporation (Overseas Services)

THIS SUBSIDIARY of the British Steel Corporation provides integrated packages for the assessment, planning, construction and operation of new or existing steel-related developments overseas. This includes technical, management, design, engineering, financial, commercial, and operational services, as well as training for both management and operatives.

Conference Services

THIS SMALL company of conference organisers, co-ordinators, and administrators specialise in the organisation of international conferences held in the U.K. by overseas associations, or by associations where the majority of participants come from overseas countries.

Costain International

PART OF Richard Costain, Costain International is an international contractor for civil engineering and *building construction*. It also provides design procurement and construction and insurance and management services including the supply of U.K. goods and services for the civil engineering industry. The principal overseas markets are in the Middle East and overseas earnings have shown a substantial increase in each of the past three years.

Michael Davis (Shipping)

MICHAEL DAVIS (Shipping) is a firm of specialist packers and shippers of furniture, reproduction furniture, antiques, fine art, glassware, china and related fragile freight have increased their exports more than three-fold over the past three years. Export markets are world-wide, the most important market area being North America where a subsidiary company has been established in California.

Eilers & Wheeler (U.K.)

THIS SMALL company exports natural and special butter, cheese and milk products to Holland, Belgium, France and Germany. They are probably unique as exporters of specialised butter and this overall achievement in exporting dairy products to countries which traditionally supply these products to the U.K. market is a notable one.

Elliott Turbomachinery

MANUFACTURERS of steam turbines, lubrication and sealing systems and compressors for oil, gas and petrochemical industries, the company's principal markets are in Eastern Europe, the Middle East, Canada, Latin and South America *and the value of* the firm's exports have increased seven-fold over a three-year period.

The International Division of EMI Records

WITH RESPONSIBILITY for the international sales and marketing of gramophone records and pre-recorded tapes, this division exports to over 200 countries and also earns pressing fees from overseas companies which manufacture the products under licence. Over a three-year period, overseas earnings have doubled.

Ever Ready Co. (Holdings)

EVER READY manufactures batteries and battery components as well as electrical accessories, exporting to Africa, the Americas, the Middle and Far East, and Western Europe. Over a three-year period, exports have nearly doubled and now form 40 per cent. of total sales.

Ewbank & Partners

THIS FIRM of consulting mechanical and electrical engineers specialising in the power generation field offer a wide range of services including engineering and management consultancy and project management on engineering, financial and organisational matters.

Fisons—Pharmaceutical

THE DIVISION manufactures a wide range of medical veterinary dietary and toiletry products of which medical products make up 80 per cent. of exports. Exports, which have almost doubled over a three-year period, are made to virtually all countries in the world the most notable product being "Intal," a treatment for asthma, for which the Division received the Queen's Award for Technological Achievement in 1971.

GEC Measurements

PART OF the General Electric Company, GEC Measurements designs and produces measuring instruments and protective devices for use with electrical power systems. The company exports to all areas of the world and has recently made significant advances in Bahrain, Brazil, *Dubai, New Zealand, Poland, Sharja and* Venezuela. Over a three-year period, exports have more than doubled and exports form a substantial proportion of *total sales.*

Grest Exports

THIS COMPANY of export merchants and managers exports electrical contracting materials, automotive parts and accessories and some other goods principally to *Nigeria* but *has recently opened up new* markets in Thailand and Kuwait. The value of the firm's exports has increased over 20 times over the past three years.

International Aviation Services (U.K.)

*THIS COMPANY trades as IAS Cargo Air*lines and is engaged in transporting a wide variety of cargo, including livestock. It provides exporters with a regular air-cargo service to Africa, *Asia*, Australia and the Middle and Far East. Over a three-year period, overseas earnings have nearly quadrupled.

Invicta Plastics

MANUFACTURERS OF "Master Mind" and other games, as well as a wide range of plastic products which are exported virtually throughout the world. The value of its exports has increased more than *five-fold over the period covered by the* application and now accounts for well over 50 per cent. of total turnover.

Justerini & Brooks

A SCOTCH WHISKY distiller and blender, which has won two previous Awards and *has continued to expand its export* sales which now represent some 97 per cent. of its total sales. Its main product J & B Rare is sold in virtually all countries other *than those few which prohibit the* import of Scotch whisky.

Kodak

A SUBSIDIARY of the Eastman Kodak Company of U.S., Kodak is the largest U.K. producer of photographic materials and equipment. The principal export markets are in Western Europe and Nigeria and the value of exports has almost doubled over a three year period.

Marconi Avionics

THIS COMPANY, a subsidiary of the General Electric Company manufactures advanced avionic systems for aircraft, including head-up displays weapon aiming systems, automatic flight control systems, airborne radars and radio navigation and communication systems.

Hydrographic Department, Ministry of Defence

THE HYDROGRAPHIC DEPARTMENT compiles, produces prints and distributes a series of navigational and miscellaneous charts and hydrographic publications. These Admiralty charts and publications facilitate the safe passage of shipping in all parts of the world. Sales of these charts and publications are worldwide and over the past three years the Department has more than doubled its direct export sales, which now account for over 50 per cent. of total sales.

The Pacific Steam Navigation Company

THE COMPANY operates liner shipping services to the Caribbean and Latin America and has doubled its turnover in the past three years. *All the Company's* ships are British built and two new vessels will shortly enter service.

Petter Power Generation

PETTER POWER, a Hawker Siddeley Group company, manufactures diesel generating sets. It exports world-wide, but principally to the Middle and Far East and to Africa. Exports have increased more than four-fold over a three-year period and have now reached over 80 per cent. of total sales.

The Electronic Exchange Division of Plessey Telecommunications

THIS DIVISION of the Plessey Company manufactures electronic exchanges for installation in public telephone networks, these electronic exchanges are specifically designed to meet the needs of the overseas administrations. The Division exports to the Middle and Far East, Africa, South America and the USSR.

Portakabin

PORTAKABIN exports portable accommodation units principally constructed of *steel and timber for industrial purposes*, offices, living accommodation and recreational use, etc.

The Pullman Kellogg Division of Pullman Inc. in the U.K.

THE DIVISION is responsible through two companies in the U.K. for the provision of a fully intergrated engineering contracting *service specialising in the engineering* design procurement and construction of oil refineries, petrochemical and chemical plants.

Ratsey and Lapthorn

SAILMAKERS since the days of sailing *ships, and weavers of sailcloth since 1985*, Ratsey and Lapthorn exports to Africa, Australasia, Middle and Far East, North America, Scandinavia and Western Europe. Over a three year period, exports have nearly trebled and form nearly 70 per cent. of total sales.

Royal Doulton Tableware

THE LARGEST U.K. producer of china, handmade full-lead crystal and hotelware, Royal Doulton exports two distinct ranges, domesticware and hotelware and has secured markets for these products throughout the world. Notable orders which have been obtained included special items for King Hussain of Jordan's Silver Jubilee. The firm have been consistent exporters for many years and the value of their exports has increased substantially over the past three years.

Ruston Gas Turbines

A *MEMBER* of the GEC group this company manufactures industrial gas turbines in the range 1,500 brake horse-power to 6,000 brake horse-power. These turbines are specifically designed for use by the oil and gas industries and exports are made worldwide, principally to markets which are oil and gas producers.

Sheerness Steel Co.

THE COMPANY exports steel bars and rods for construction and engineering applications to a wide range of markets in Europe and the developing countries. The *value of its exports has increased more* than five-fold over a three-year period.

Simon-Hartley

THIS COMPANY, a subsidiary of Simon Engineering, designs and manufactures specialised plants for the treatment of sewage and *trade effluent and special* requirements are incorporated to suit the specific needs of the territory when the plant is to be installed.

John Taylor & Sons

A LEADING group of consulting engineers specialising in feasibility study, design and contract supervision of water supply and public health engineering projects. The company has undertaken projects in most parts of the world and in particular has had continuous experience in the Middle East over the past 20 years on a number of important and prestigious projects. Its overseas earnings hav[e in]creased more than six-fold over the three years.

Transportation Systems Market Research

THIS BRITISH RAIL subsidiary pro[vides] transport consultancy services mainly [to] the railway industry, comprising ma[rket] research feasibility studies, enginee[ring] design, supervision of construc[tion], financial and management appraisals, training and computer projects.

Tufting Industries

THIS VERY SMALL company ex[ports] tufted bedspreads and dressing g[owns] made by two associated subsidiaries o[f] Slimma Group Ltd., itself a subsidiar[y of] Tootal.

Wiggins Teape

WIGGINS TEAPE is a manufacture[r of] commercial and speciality papers w[hich] have been exported to some 150 coun[tries] throughout the world. Previous ex[port] achievements were recognised by [the] grant of Awards in 1966 and 1971 and [the] company's present achievement in ne[arly] doubling the value of its exports ov[er a] three year period is particularly [note]worthy in that it covers a period of sharp recession in the world paper mar[ket].

AWARDS FOR
Technological Achievement

The Nondestructive Testing Centre,

THIS CENTRE, part of the United Kingdom Atomic Energy Authority, gains the Award for the development, in collaboration with Rolls-Royce, of techniques in *high energy radiography*. The process is used in the development of gas turbine aero engines where it is claimed to have brought about major improvements, *shortened timescales and provided positive* data where only inferences were available beforehand.

CJB Offshore

CJB OFFSHORE, a subsidiary of John Brown and Company, gains the Award for the design and development of production platform facilities and support structures for use with the Thistle Field in the North Sea, where it supports a total of 60 wells and is installed in water depth of 530 feet.

Dowty Mining Equipment

THIS FIRM, a subsidiary of the Dowty Group, *gains the* Award for the development of control systems used with powered roof supports in mines. The product enables powered supports to be *advanced in a shorter time cycle*, thus improving productivity while maintaining operator safety.

East Malling Research Station

THIS RESEARCH STATION gains the Award for the development, in collaboration with Wye College, of hop plants of greatly improved performance due to freedom from virus infection. The research station also identified wilt-resistant varieties and devised cultural methods which are claimed to have increased the productivity and profitability in the main growing areas of Kent and Sussex. The research station is grant-aided by the Agricultural Research Council.

The Pharmaceuticals Divison of Imperial Chemical Industries

THIS DIVISION gains the Award for the *development of Tamoxifen*, an anti-oestrogen drug which is used in the treatment of breast cancer; the drug is marketed under the trade name "Nolvadex." Exports now account for nearly [illegible]0 per cent. of total sales.

The Plant Protection Division of Imperial Chemical Industries

THE DIVISION gains the Award for the development of pirimiphos-methyl, an insecticide which is claimed to be both *versatile and outstandingly safe. The product* is marketed under the trade name "Actellic," "Silosan" and "Blex" and is used to control a wide variety of pests including, among many others, ants, aphids, caterpillars, fleas, mites and mosquitoes. *It has applications in agricul*ture, horticulture, public health and domestic situations.

The Research and Development Department of the Pilkington Group

THE AWARD is gained for the development of alkali-resistant glass fibre for the reinforcement of cement products. The pioneering work was done by the Building Research Establishment and Pilkington's were granted a licence by the Nati[onal] Research Development Corporation [to] carry out the commercial exploitatio[n of] the product. The new technology is [now] established world-wide for the produ[ction] of components for the building and a[llied] industries, such as pipes, cladding pa[nels,] formwork, ducting and housing syst[ems].

Racal-Dana Instruments

RACAL-DANA Instruments is a subsid[iary] of Racal Electronics and gains the A[ward] *for the development of synthesised s[ignal]* generators. The instruments work in [the] range 100 KHz to 160 MHz and [are] designed primarily for the support [and] testing of the "Clansman" range [of] Military communication systems, it is f[ully] programmable. Exports now account [for] some 25 per cent. of total sales.

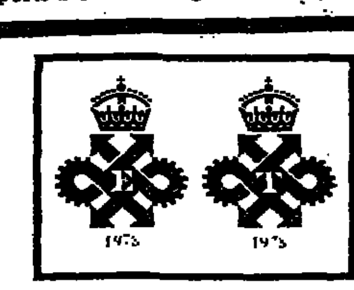
The Advanced Projects Department, Test Operatio[ns] of Rolls Royce

THIS DEPARTMENT, part of the [Aero] Division of Rolls-Royce Ltd., gains [the] Award for the development, in colla[bora]tion with the Nondestructive Te[sting] Centre at Harwell, of techniques for [use in] high energy radiography in the dev[elop]ment of gas turbine aero engines.

Department of Hop Resea[rch] Wye College

THIS RESEARCH DEPARTMENT [gains] the Award for the development [in] collaboration with the East Ma[lling] Research Station, of new varieties of [hop] plants with increasing brewing valu[e,] disease resistance, combined with fre[edom] from virus infection. The new vari[eties] are claimed to give higher yields an[d im]proved profitability.

AWARDS FOR EXPORT ACHIEVEMENT AND TECHNOLOGICAL ACHIEVEMENT



Export Achievement

Company	Principal Products or Activity
A. & J. (Staples)	Stapling equipment
A. E. Autoparts	Engine components
AGA Navigation Aids	Marine navigation aids
The Cryogenic Systems Division of Air Products	Cryongenic process plant and equipment
Alginate Industries	Chemicals
Aljose Fashions	Dresses
Anco Production (Portsmouth)	Men's clothing
Arto Chemicals	Synthetic rubbers, etc.
The Associated Portland Cement Manufacturers	Cement
B & W Loudspeakers	Loudspeakers
Balfour Beatty	Civil engineers and contractors
Bearings (Non-Lube)	Thermoplastic bearings
Blacks of Greenock	Camping equipment
Bland Payne Holdings	Insurance brokers
Booker Agriculture International	Agricultural consultancy
Boythorpe Cropstores	*Agricultural storage equipment*
Bradbury, Wilkinson & Co.	Security documents
Braithwaite & Co. Structural	Structural steelwork and *steel storage tanks*
British Steel Corporation (Overseas Services)	Project services for steel
David Brown Tractors	*Agricultural machinery*
Frans Buitelaar	Meat, livestock and meat products
Camrex	Marine coatings
Carnation Foods Co.	*Evaporated creamers*
Hamish Cathie Travel Scotland	Travel agents
Clan Laird Fashions Scotland	Ladies' and children's outerwear
Conference Services	Conference administration
Conoco	Petroleum products
The Magnetic Media Manufatcuring Division of Control Data	Computer disc packs.
Coronet EM	Pumping equipment and generating sets
Costain International	Civil engineering contractors
D J B Engineering	Articulated dump trucks
Davies Turner & Co.	Freight forwarders
Michael Davis (Shipping)	Specialist packers and shippers
Dawson-Keith Electric	Generating sets
Thomas De La Rue & Co.	Security printing
Dundee Fabrics	Fabrics
Eilers & Wheeler (UK)	Dairy products
Elcometer Instruments	Meauring and test instruments
Electrosonic	Electronic control equipment
Elliott Turbomachinery	Turbines and Compressors
The International Division of EMI Records	Records and tapes
The Clay Division of English China Clays	China clay
Ever Ready Co. (Holdings)	Batteries and electrical equipment
Ewbank and Partners	Consulting engineers and project managers
Farrow Irrigation	Irrigation equipment
The Pharmaceutical Division of Fisons	Medical, veterinary and dietary products
Flogates	Refractory sliding gates
Forest Thinnings	Logs
GEC Measurements	Integrating meters, *protective* relays, etc.
General Instrument Microelectronics	Integrated circuits
Glenhill Furnishing	Furniture
W. R. Grace	Chemicals
Grest Exports	Export merchants and managers
Gunson's Srotex	*Colour sorting equipment*
William Hare	Structural steelwork
C. E. Heath & Co.	Insurance brokers
Hestair Dennis	*Specialist vehicles*
L. B. Holliday & Co.	Dyestuffs
The Aviation Division of Alexander *Howden Insurance Brokers*	Aviation *insurance brokers*
International Aeradio	Technical services for aviation
International Aviation Services	Cargo airline
International *Generics*	*Toilet preparations and* pharmaceuticals
Invicta Plastics	Plastic toys, games and housewares
J K Lasers	*Pulsed solid state laser equipment*
James Johnston & Co. of Elgin	Woollen goods
Justerini & Brooks	Scotch whisky
Kangol Wear	Millinery
Kodak	Photographic apparatus
Kwikform	Scaffolding systems
Mabey & Johnson	Unit construction bridging
Magnetic Components	Magnetic recording heads
Marconi-Elliott Avionic Systems	Avionic systems for aircraft
Medelec	Electro-physiological instruments
Minet Holdings	Insurance brokers
The Hydrographic Department of the *Ministry of Defence*	Charts and hydrographic publications
The Royal Ordnance Factories of *the Ministry of Defence*	Munitions
A. H. Moody & Son	Yachts
Alan Newman	Furniture
Ogdens (Otley)	Construction equipment
The Pacific Steam Navigation Co.	Ship operators
Frederick Parker	Asphalt mixing and related plant
Petter *Power Generation*	*Generating sets*
The Electronic Exchange Division of Plessey Telecommunications	Electronic telephone services
Portakabin	*Portable accommodation units*
The Pullman Kellog Division of Pullman Incorporated in the United Kingdom	Petroleum and petrochemical contracting
Ratsey & Lapthorn	Sails and sailcloth
Rowntree Mackintosh	Confectionery
Royal Doulton Tableware	*Pottery and glass*
Ruston Gas Turbines	Gas turbines
SGB Export	Steel scaffolding and concrete form-work
The Serck Glocon Division of Serck Audco-Valves International	Automatic process control valves
Sheerness Steel Co.	Steel
Shetland Boats	Glass fibre cabin cruisers
Shubette of London	Ladies' and children's outerwear
Simon-Hartley	*Sewage treatment plant*
Simon-Vicars	Cake and biscuit manufacturing plant
The Link-Miles Division of The Singer Co. (UK)	Flight and armoured vehicle simulators
Hugh Smith (Glasgow)	Heavy machine tools
Solent Canners	Soft drinks
South Wales Switchgear	Switchgear
Space Decks	Steel roofing, steelwork
John Taylor & Sons	Consulting engineers
Transportation Systems & *Market Research*	*Transportation consultancy*
Tufting Industries	Dressing-gowns and bedspreads
UBM Overseas	Building materials
White Horse Distillers	*Scotch whisky*
Wiggins Teape	Commercial and speciality pape[rs]

Technological Achievement

The Acoustical Manufacturing Company	An audio frequency amplifier circuit
The Nondestructive Testing Centre of the Atomic Energy Research Establishment	Dynamic studies fo gas turbine engines
BOC Subocean Services	Underwate rwelding
Brookdeal Electronics	Signal recovery instruments
CJB Offshore	North Sea oilfield production platform facilities
Dowty Mining Equipment	Control systems for powered mine roof supports
East Malling Research Station	New varieties of hops
The Powder Forging Division of GKN Forgings	Powder forgings
The Mond Division of Imperial Chemical Industries	Inorganic oxide fibres
The Pharmaceutical Division of Imperial Chemical Industries	"Tamoxifen" for treatment of breast cancer
The Plant Protection Division of Imperial Chemical Industries	A broad spectrum safe insectici[de]
The Researhc and Development Department of the Pilkington Group	Glass fibre for reinforcement of cement products
The Research and Development Unit of Quantel	Application of digital technique in television broadcasting
Racal-Dana Instruments	*Synthesised signal generators*
The Advanced Projects Department Test Operations, of Rolls-Royce	Dynamic studies of gas turbine engines
The Research Institute of Smith Kline & French Laboratories	"Cimetidine" for treatment of peptic ulcers
The Department of Hop Research, Wye College	New varieties of hops and hop planting material

LABOUR NEWS

Scottish TUC calls for steel investment

BY CHRISTIAN TYLER, LABOUR EDITOR

THE THREAT hanging over the Glengarnock steel plant in Ayrshire, where 1,400 are employed, was the focus yesterday of a trade union pledge to oppose the run-down of the Scottish steel industry.

Mr. Bill Sirs, chairman of the TUC Steel Committee, told the Scottish TUC in Aberdeen that the union movement would not stand idly by and see the closure of Glengarnock in an area where the British Steel Corporation accounted for 70 per cent. of all employment.

He was given unanimous support for a resolution calling on the Government to deliver promised investment, including electric arc steelmaking at Hunterston, on which the Glengarnock mills will depend.

The resolution also called for selective controls of steel imports, new jobs in the steel areas—some of which already have unemployment rates of twice the Scottish average—and for a shorter working week and early retirement for steelworkers.

Other plants identified by Mr. Sirs and other speakers as threatened were Ravenscraig, Hallside and Craigneuk.

The run-down or closure of older plants planned by the Corporation as part of its drive for viability is a major political issue in Scotland.

One delegate criticised the steel union leaders for agreeing to co-operate in further productivity talks before winning a promise of new investment.

While tackling the threat to jobs at local level, the unions are now considering an offer from Mr. Eric Varley, Industry Secretary, to create six seats for worker directors on the main BSC Board. Mr. Sirs believes that could give unions an important lever on future investment decisions.

The Congress reaffirmed its support for the Government's Devolution Bill. Unions are preparing a campaign to secure a Yes vote in the referendum proposed after the Bill receives Royal Assent.

Mr. Alex Kitson, of the Transport Workers, said the Scottish TUC Council did not like the idea of a referendum. He claimed it was open to abuse and would give the Press the chance to repeat the one-sided line it pursued on the Common Market referendum.

Delegates also carried a resolution asking for the Employment Protection Act to be strengthened on trade union recognition in the light of the Grunwick and the IBM surveys.

They backed the long-running fight for union recognition by print workers and journalists employed by the D. C. Thomson publishing group based in Dundee.

NUBE bans Ford bank

By Nick Garnett, Labour Staff

THE National Union of Bank Employees is refusing to man a new Midland Bank sub-branch being built for Ford car workers at Halewood, in a further attempt to stem any move towards extending banking hours.

The bank is to open at the beginning with next month and Ford is considering introducing more bank branches, with the co-operation of Midland, on its other sites.

The bank said yesterday that Ford had specified that the bank's opening hours had to take into account the company's shift system.

As a result, the bank is designed to open between 10 a.m. and 3 p.m. on three days and from 12 until 5 or 6 p.m. on the other two.

The working week would still be the standard 35 hours for bank staff and they would receive the £6 shift payments for late opening covered by a long-standing agreement between Midland and the unions.

NUBE, which has been resisting attempts to introduce changes in banking hours, said it supported the Ford project but there was no justification for the bank opening outside normal hours. Union shop stewards at the Ford plant also supported this view.

Industrial action against the sub-branch was aimed at altering the proposed opening hours.

Midland said the proposals had been put to both the Association of Scientific Technical and Managerial Staffs and NUBE. ASTMS had agreed but NUBE had failed to make a formal response until earlier this month.

Midland, which has been studying the idea of introducing more late afternoon opening generally is seeking further talks with Ford.

AUEW resists pay restraint

BY ALAN PIKE, LABOUR CORRESPONDENT

ANY ATTEMPT to impose pay controls in the next wage round will meet a chorus of condemnation from the Amalgamated Union of Engineering Workers national committee when it meets next month.

Of the engineering section's 26 divisions, 18 have tabled resolutions on free collective bargaining. They all resist the continuation of wage restraint in any form.

Some of the resolutions are phrased in a form which could lead the union into a collision with the Government if pay guidelines like the present 10 per cent. are again applied.

One instructs the union to resist "all forms of restrictions on any future wage negotiations" while another calls upon the union to "support any members involved in industrial action as a result of the Government's imposition to 10 per cent. or other limitations on wage claims."

Another resolution would compel AUEW leaders to support any other trade union which became involved in a dispute because of its opposition to wage restraint.

Many divisions have submitted resolutions demanding big increases in the engineering indsutry's minimum pay rates but, as a new national agreement has only just come into effect, the committee may defer detailed consideration of these until later in the year.

Members of the national committee will also have to face a pressing internal issue—amalgation—when they meet in Worthing next month.

Successive attempts to bring the AUEW's four semi-autonomous sections into a fully-merged union have failed and the executive says in a report to the national committee that this has created a "very poor public image" and was causing other unions which might have joined the AUEW to seek amalgamation elsewhere.

The national committee's discussions on amalgamation will be the prelude to what promises to be an important debate when the full conference of the four sections meets the following week.

The executive reports that engineering section arrears have been reduced from £3.600.000 to £2.400.000 and that membership—after the removal of members in arrears—had shown a net increase of 10.948 to 1.180,104.

Shell clerical staff called on strike

BY PHILIP BASSETT, LABOUR STAFF

LEADERS of 600 white-collar workers at Shell oil terminals throughout Britain yesterday called their members out on an official strike from 6 a.m. this morning over a pay dispute.

The clerical staff, members of the Association of Scientific, Technical and Managerial Staffs and ACTSS, the white collar section of the transport workers' union, deal with the tanker drivers who pick up oil at the 46 Shell supply depots.

Most of the tanker drivers belong to the Transport and General Workers' Union, the parent union of ACTSS, and Shell officials fear that the effects of the clerical workers' dispute could be serious if the drivers either refuse to cross any picket lines or to take delivery tickets

Shell and Esso reports, Page 26; Shell contracts, Page 9

Builders offered 10%

BY OUR LABOUR STAFF

UNION leaders yesterday agreed to recommend acceptance of a 10 per cent. pay offer covering 700.000 construction workers.

The deal includes improvements in sick pay over the previous employers' offer and the straight pay element has been rejigged by placing more on the basic rate.

The transport and General Workers' Union, which, along with the Union of Construction, Allied Trades and Tecnicians, agred the deal yesterday, dropped its immediate claim for a 35 hour week.

The employers agreed, however, to discuss proposals for a shorter working week in the future and to start talks on introducing a fourth week's holiday in two years time.

The deal, which has still to be ratified by the Department of Employment, would lift craftsmen's minimum pa yto £60.20p, including £10.20p of supplements and a £6 guaranteed minimum bonus.

Foremen's dispute spreads

By Arthur Smith, Midlands Correspondent

STRIKE action by foremen in Leyland Cars Rover plants spread yesterday, but the company is struggling, with the co-operation of manual unions, to maintain output.

The strikers meet to-day to consider whether to continue their action. The disruption comes as a severe setback to efforts to meet the backlog of demand for Range Rover, Land Rover and saloon models.

Some 400 supervisors walked out in protest at continuous working during meal and other breaks. The system is an alternative to night shift, which were opposed by production workers.

The foremen yesterday appealed for support to fellow ASTMS members and 135 paint technicians at Solihull, and supervisors in the engine and transmission plants, joined in.

● Four men at British Leyland's car assembly plant at Cowley voted yesterday to end the sanction, including an overtime ban, which they imposed two weeks ago. They did so after hearing a report on two meetings earlier this week on the foremen's pay claim.

Perkins sit-in vote to-day

SEVEN thousand engineering workers employed by Perkins of Peterborough will vote this morning on whether to hold a sit-in.

Shop stewards are demanding the action in support of a pay claim because the company has refused to improve its latest offer of 10 per cent.,

Basnett attacks trade union competition

BY OUR LABOUR CORRESPONDENT

THERE is still too much "competitive trade unionism" which wastes time and resources, Mr. David Basnett, general secretary of the General and Municipal Workers' Union, argued in a statement circulated to officials of his union yesterday.

He suggests that the trade union movement should review its structure so that more amalgamations could take place.

Mr. Basnett, who is this year's chairman of the TUC, told his officials that if the general council had not rejected proposals last month to give larger unions automatic general council membership it would, in the opinion of those who supported the proposal, have made the body more representative and more democratically composed.

"That rejection may lead to a questioning debate at Congress. It will certainly place greater emphasis on the need for other developments."

Hansard dispute talks

BY OUR LABOUR STAFF

THE ADVISORY, Conciliation and Arbitration Service is to intervene in a dispute at Her Majesty's Stationery Office which has held up production of Hansard and the London Gazette.

Normal working resumed yesterday, and an ACAS official will meet machine room workers, members of the National Graphical Association, at the stationery office's St. Stephen's Press to-day.

The dispute, over amounts of agreed overtime, has been affecting production of parliamentary papers from the press for almost four weeks.

Premier stresses pay role of public sector

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE Prime Minister yesterday placed strong emphasis on the role of the public sector in any Phase Four pay policy which might be introduced in the summer when the present phase comes to an end.

He was answering Mr. David Steel, the Liberal leader, who made clear in the Commons that the Liberals want to see a Phase Four brought in.

Mr. Steel said that his party was dismayed at the response of the Scottish TUC to appeals from Mr. Tom Jackson, of the Union of Post Office Workers and Mr. Sid Weighell, of the National Union of Railwaymen, for union co-operation in Phase Four.

Mr. Steel suggested that in future meetings with the TUC the Prime Minister should make it clear that the Government would stick to Phase Four, preferably with the agreement of the unions.

This brought a taunt from the Tories that Mr. Steel's view was yet another signature on the death warrant of the Liberal Party.

Mr. Callaghan replied: "I am not yet in a position to discuss what happens after this phase of pay policy is over.

"As far as Mr. Weighell and Mr. Jackson are concerned, both of them are in the public sector and it is in this sector where the Government has a special responsibility and must take a view about pay."

He recalled that comments had been made by other trade union leaders in the public sector, notably by Mr. David Basnett of the General and Municipal Workers' Union.

"It would be quite wrong at this stage to do anything other than try to win through on the current pay round," Mr. Callaghan added.

The Government would then be able to present the trade union movement with a statement that inflation was coming down and would stay in single figures for the rest of the year and that much would depend on being able to maintain it in single figures during 1979.

Mrs. Margaret Thatcher, Opposition leader, told Mr. Callaghan that the real problem was low output, with insufficiency of skilled labour a limiting factor. "One of the reasons for that is that differentials are not sufficient to give proper rewards for skill and extra responsibility."

She urged the Prime Minister to discuss with the TUC proposals to restore differentials.

Mr. Callaghan agreed that many of our problems were caused by low productivity. But the question of skilled labour had been discussed on a number of occasions at the National Economic Development Council and was under review by employers and trade unions.

This brought an accusation from Mrs. Thatcher that he was dodging the question. We would not get sufficient people training for extra skills until differentials were restored.

Vacancies in skill centres were being filled by foreigners and until differentials were restored, re-training programmes would not be taken up by the unemployed.

Mr. Callaghan observed that he did not object to foreigners filling the vacancies in the programmes since they went back home and tended to order goods from British firms. It was not for him to restore differentials but was a matter for negotiation between unions and employers.

Ministers will try to restore clause

BY PHILIP RAWSTORNE

THE GOVERNMENT is to attempt to restore the key clause in the Wales Bill deleted on Wednesday by an alliance of Conservative, Liberal and Nationalist votes.

Amid laughter in the Commons yesterday, Mr. James Callaghan agreed with Mr. Gwynfor Evans, the Welsh Nationalist leader, that the effect of the unexpected Conservative vote for the exclusion of the clause would be to make the legislation operative without a referendum.

"What the Conservative Party, which is opposed to devolution, has voted for is that the Bill should come into force immediately after Royal Assent without a referendum being held," Mr. Callaghan said. Conservatives had suggested the Bill was a shambles.

Conservative leaders claimed yesterday that they had voted against the clause because of objections to one sub-section which provided for the Commons to override any vote in the Lords against a Government order implementing the legislation.

They agreed, with some embarrassment, that deletion of the entire clause could mean not only that the legislation would be implemented without a referendum but that devolved powers would be handed over to a Welsh Assembly before it had been elected.

Thy indicated that they would support Government moves to restore the clause at the Bill's report stage if the restrictions on the Lords' powers were abandoned.

Tories angered by 'speculation' over party plans for NHS

BY IVOR OWEN, PARLIAMENTARY STAFF

PRESCRIPTION charges should be increased and some limited changes made in the administrative structure of the National Health Service introduced by the last Conservative Government, Mr. Patrick Jenkin, shadow Social Secretary, told the Commons last night.

But he joined with other Tory MPs in repudiating a claim by Mr. David Ennals, Social Services Secretary, that the full range of proposals under consideration by Mrs. Margaret Thatcher and her shadow Cabinet would mean the end of the National Health Service in its present form.

The Minister had to battle against a barrage of interruptions from the Tory benches when he accused Opposition leaders of favouring the introduction of new health service fees, including payments for each visit to the doctor and "hotel charges" for stays in hospital.

He also insisted that a recent speech by Sir Keith Joseph, Mrs. Thatcher's chief policy adviser, indicated a desire by the Conservative Party to move away from the existing position with the National Health Service almost entirely financed from general taxation to a situation in which insurance contributions were its main source of finance.

This, he maintained, would inevitably lead to a two-tier health service, one for the rich and one for the poor.

Tory MPs complained that Mr. Ennals was indulging in speculation about possible Conservative

With tongue in cheek, Mr. Gordon Wilson, deputy leader of the Scottish Nationalists suggested ina letter to Mrs. Margaret Thatcher last night that Tory peers should promote a similar amendment to the Scotland Bill in the Lords.

The Conservative vote in the Commons could not have been a mistake, he said. "Presumably, its intention was to abandon the referendum and to secure the immediate implementation of the Wales Bill.

"It would be quite wrong for Scotland to have to go through a referendum and wait for its Assembly when Wales has been freed from such a requirement."

policy, despite the fact that Mr. Jenkin had stressed that final decisions would not be taken in advance of the report by the Royal Commission on the National Health Service.

Mr. Jenkin, who described the present state of the National Health Service as "sick," cited recent industrial disputes in hospitals as evidence of a deeper malaise.

"From Cornwall to Cumbria, the message is the same—sagging morale, lengthening waiting lists, falling standards, industrial disputes, pay anomalies, staff shortages, building work years late, forced closures, and so on," he declared.

Mr. Jenkin contended that the state of the National Health Service was a reflection of Britain's poor economic performance.

The Opposition was not asking for a massive new injection of funds into the NHS at the present stage because this would be unrealistic, but Conservative MPs believed that better use could be made of the money that was available.

In the administrative sphere, an improvement could be obtained by allowing most decisions to be taken at district health authority level.

Amid Labour cheers, Mr. Ennals argued that Mr. Jenkin's willingness to indicate where the next Conservative Government intended to make administrative changes would increase suspicions that the Conservative proposals for introducing new health service charges were equally well advanced.

He underlined the fact that, in relation to the hospital service as a whole, there were few problems arising from industrial relations. The exceptions usually occurred at local level and invariably received great publicity. "Our health service is too precious to be marred by irresponsible industrial action," he declared.

Mr. Ennals said discussions had taken place with doctors' leaders, nurses, midwives and trade unions in the health service and he hoped that these would lead to a code of practice being drawn up.

The aim must be to "define the industrial parameters" and improve local dispute procedures.

SNP sees chance for open government

By Roy Perman, Scottish Correspondent

PROCEDURES for making government and the Civil Service more accountable could be adopted by the proposed Scottish Assembly and have an influence on Westminster, according to the Scottish National Party.

In a policy document to be discussed at the party conference next month, the SNP says that in a devolved or an independent Scotland, Parliament must exercise effective control over governmental power.

"One of the great failures of the U.K. Parliament has been its acquiescence in an ever-increasing transfer of real power to Ministers, their Ministries and outside bodies. This stems from the relative weakness of—and lack of information obtained by—ordinary backbench MPs."

The party proposes that in the Assembly a Scottish Parliament, standing committees parallel to the main Government departments should be able to review activities by the Executive and have full powers to question witnesses, call for evidence and make thorough investigations.

Prof. Neil MacCormick, chairman of the SNP policy group on government, said yesterday that the Official Secrets Act could stand in the way of the Assembly having as much open access to information as the party would like. But members of the Assembly executive would be able to instruct their civil servants to disclose much more than Whitehall civil servants were now able to do.

The SNP also wants the Assembly to do away with the patronage which Prof. MacCormick claimed now existed in Scotland in the astonishingly large number of bodies to which members were nominated by the Secretary of State.

The number of such bodies would be cut and a committee elected by Parliament would scrutinise appointments.

DPP warns on publication after MPs name secrets case colonel

THE DIRECTOR of Public Prosecutions warned last night that publication of the name of "Colonel B"—the intelligence officer in the Official Secrets Act case—could be contempt of court, even though he had been named by MPs in the Commons.

The warning came after four Labour MPs, Miss Joan Richardson, Mr. Christopher Price, Mr. Robert Kilroy-Silk and Mr. Ron Thomas, all used the colonel's name in the House.

MPs gasped and one Tory backbencher shouted "Disgraceful" when Miss Richardson named the colonel during a call for a debate on Press freedom.

Mr. Price used the name when he asked for a debate on the Official Secrets Act, and Mr. Kilroy-Silk again gave the colonel's name when he asked for an assurance that the Government would legislate this session on the Official Secrets Act.

The name was also mentioned by Left-winger Mr. Thomas in an attack on Attorney-General (Mr. Sam Silkin) for interfering in the democratic proceedings of the National Union of Journalists conference.

The DPP's statement said: "The legality of revealing the identity of "Colonel B," a witness in the prosecution of Aubrey, Berry and Campbell, is the subject matter of pending proceedings for contempt of court before the Division Court of the High Court of Justice.

"It is not accepted that despite the naming of the colonel on the floor of the House of Commons that the publication of his name would not be a contempt of court, even if it was part of a report of proceedings in the House."

Sir Barnett Cocks, former clerk of the Commons and editor of Erskine May, the "Bible" of Parliamentary procedure, said last night: "I think the Director of Public Prosecutions is wrong.

"The proceedings of Parliament are protected. If you report without prejudice a fair and factual account of what was said in the House of Commons, who is the DPP to tell you that is wrong? You are reporting the High Court of Parliament.

"If there was a request from the Speaker of the Commons, then you would have to think of your position. But the DPP is a civil servant, supposedly answerable to the Attorney-General."

Ministers show signs of new attitude to metrication

BY RUPERT CORNWELL, LOBBY STAFF

THE GOVERNMENT is now re-thinking its tactics to push a batch of controversial metrication orders through Parliament against the opposition of the Conservatives and a small but threatening minority of its own backbenchers.

The first signs of a change of heart came last night with the abrupt withdrawal from next week's Commons business of a short debate on two orders, dealing with potatoes and various foodstuffs. It will now be impossible to have them in operation by the original target date of May 1, and new orders will have to be brought forward.

The real sticking point, where the Tories and perhaps 20 or 25 rebel Labour MPs make common cause, is the element of compulsion at present contained in certain of them, reinforced by the threat of fines of up to £50 for offenders,

The whole topic, which is understood to have come before the Cabinet yesterday, is particularly delicate for the Government, not only because it raises the possibility of humiliating Commons defeat, but also on account of its electoral implications.

Both Mrs. Margaret Thatcher and Mr. Roy Hattersley, the Prices Secretary, insist that metrication will not be an issue. But senior Ministers acknowledge the danger that Labour could be labelled the party that finally suppressed the traditional system of Imperial measures just before a general election this autumn.

Government whips are now busy sounding out the dissident backbenchers, led by Mr. Andrew Bennett, MP for Stockport North and Mr. Nigel Spearing (Newham NW) before making up their minds.

Even Labour's anti-metrication lobby concedes that a switch is inevitable in the long run. It appears likely to many of them that at least the most controversial orders will be re-drafted to remove the element of compulsion.

At the same time, responses are coming in to the appeal for support on metrication issued this week to interested bodies by Mr. John Fraser, Minister at the Prices Department. Among others, the CBI quickly expressed its strong backing.

Leader: Page 22

Levy approved

REGULATIONS which impose an 80p levy on air passengers to meet the cost of security measures were approved by a Commons committee yesterday. The regulations become operative to-morrow week.

Next week's business

COMMONS business next week will be:

MONDAY: Nuclear Safeguards Bill and Electricity (Finance) Bill, second readings.

TUESDAY: Wales Bill committee.

WEDNESDAY: Remaining stages of Inner Urban Areas, Home Purchase Assistance and Housing Corporation Guarantee Bills.

THURSDAY: Finance Bill, second reading: Trustee Savings Banks Bill, remaining stages; Shipbuilding (Redundancy Payments) Bill, Lords amendments.

FRIDAY—Private members' Bills. The House will then adjourn until Tuesday, May 2.

Lords debates are:

MONDAY: Scotland Bill, committee.

TUESDAY: Scotland Bill, committee; Housing (Financial Provisions) (Scotland) Bill, third reading.

WEDNESDAY: Debate on southern Africa.

THURSDAY: European Assembly Elections Bill, report; Conservation of Wild Creatures and Wild Plants (Amendment) Bill, report; Solomon Islands Independence Bill, second reading; debate on investigations involving forcible entry by officials of the Inland Revenue and other departments.

THE FINANCE BILL

Shares for employees granted tax relief

REPORTS BY JOHN ELLIOTT, DAVID FREUD AND DAVID WAINMAN

THE PROPOSALS for the employee share ownership form of profit sharing will apply from April next year. They provide for income tax relief to be given to schemes which must first be approved by the Inland Revenue.

A company deciding to launch such a scheme can make a basic amount of up to £500 available each year for each employee to receive in shares. The Bill does not lay down any other rules or limitations for how a company should decide what total amount, or what proportion of total profits, to allocate.

All full-time employees with five-years or more service must have the opportunity to acquire the shares, although it would be open to an individual to refuse an allocation and ask instead, subject to any pay policy restrictions, for a cash handout. Such a handout would however qualify for income tax. A company can include employees with less than five years' service if it wishes.

A special trust would be set up by a company to manage the shares, and a participating employee would have to agree to his shares remaining with the trustees for a minimum period of five years. If however he died, or lost his job on account of injury, disability or redundancy, the shares could be sold or disposed of immediately.

The shares would be part of the ordinary share capital of the employing company, or of a controlling company. They would not attract income tax liability at the stage when they were bought and allocated, nor would they attract any income tax on their subsequent growth in value.

When the shares were sold after the five year period, they would be chargeable to income tax at the rate of tax then being paid by the participant. But the tax would only be paid on a percentage of the shares original value (or of the sale proceeds if less).

This percentage would be tapered away to nothing according to the length of time the shares had to be held: between five and seven years, tax would be paid on 50 per cent. of the value; between 7 and 10 years on 40 per cent.; between 10 and 12 years on 25 pre cent.; between 12 and 15 years on 15 per cent. After 15 years, no income tax would have to be paid.

Employees would have to pay the recently reduced capital gains tax when they sold the shares on profits above the acquisition cost. The company involved would be able to set off the initial cost of the shares against corporation tax, as with ordinary wages.

Dividends would be payable direct to employees who would be taxed on them in the normal way. The employee would also be able to choose whethe[r to] take up any rights issue [or] receive money from the sa[le of] such issues.

The finance Bill does not[, how]ever, lay down whether the [vot]ing rights attached to sh[ares] should be exercised individ[ually] by the employees, or collect[ively] by the trust.

Special rules are also [laid] down for company recons[truc]tions and amalgamations. [The] intention of the Bill is to se[cure] continuity of treatment so [far] as is practicable when the [hold]ing of shares originally alloc[ated] is replaced by a different [hold]ing.

The Inland Revenue will [not] approve any schemes which [allow] share allocations above £5[00 a] year but provision is made [if] an employee accidentally re[ceives] more than £500—for exa[mple] from two different employe[rs if] he worked part time for [more] than one company. In su[ch a] case, the full value of the sh[ares] without any tapering, woul[d be] liable for income tax when [they] were sold.

Lower tax band costly on staffing

A LOWER band of income tax at 25 per cent. for the first £750 of taxable income is introduced in Clause 12. This is expected to cost the Exchequer £1.3bn. in 1978-79 and £1.6bn. in a full year.

The new band is likely to be expensive in terms of the staff required to operate it: In a full year the extra staff required is estimated at 1,300.

By contrast, if the Chancellor had decided to make equivalent cuts of £1.6bn. through raising personal allowances, there would have been a staff saving somewhere in the region of 600-800 as tax-payers dropped out of the tax net altogether. Added to the £0.5bn. in the full year already allocated this would have boosted the rise in individual allowances from £40 to £160 and the married allowance from £80 to £330. (The assumption of a steady relationship between revenue cost and altering allowances is fairly realistic at this level.)

The new lower rate is available in duplicate to married couples both of whom work. The wife's earnings, if assessed jointly with thos of her husband, will be free of tax up to £985 and the marginal rate on the next £750 to £1,735 will be 25 per cent. But this does not raise the threshold of £7,000 at which the couple move from the basic

As our table shows for those married couples whose earnings are high it will be advantageous to be taxed separately.

MARRIED COUPLES' TAXATION

	Taxed jointly		T[axed] Separ[ately]
Income	£11,650	Income	£[illegible]
Married couple's earned income allowance	2,520	Single person's allowance	
Taxable income	£9,130	Taxable income	£[illegible]
£1,500 at 25%	£375	£750 at 25%	
£5,500 at 34%	£1,870	£4,090 at 34%	£[illegible]
£1,000 at 40%	£400		
£1,000 at 45%	£450		
£130 at 50%	£65		
Tax liability	£3,160	Tax liability for couple	£[illegible]

Tax avoidance measures

MEASURES against four tax avoidance schemes are spelt out—as forshadowed in the Chancellor's Budget speech. By far the most important of these is the retrospective action taken against the "commodity carry" scheme in Clause 26.

The scheme, which used partnerships to create technical losses which could be set against tax, is outlawed from April 6, 1976, before it was first marketed, through the subclause which rules out relief where the loss was sustained in a trade carried on in partnership.

Subclause 1 (b) goes even further and rules out relief where "the sole or main benefit that might be expected to accrue to that person from his interest in that partnership was the obtaining of a reduction in tax relief."

The "sole or main benefit" is a powerful catch-all phrase which is bound to prove water-tight in the courts, though no one is likely to try to test it. It is stronger than the similar expression "main object," where a degree of intention has to be established. The last time the phrasing was used to eliminate avoidance schemes was in the 1976 Finance Bill.

It is believed that this Clause will not affect anyone genuinely involved in commodity trading.

The other schemes ruled out are the sale of land with right to repurchase, in Clause 27; avoidance of CTT charges on discretionary trusts, Clause 56, 57 and 60; and an insurance scheme involving associated endowment and term life policies to avoid CTT, Clause 61.

Varied aid for small business

THE BILL contains a large number of the reliefs for small business already announced in October, 1977, and at subsequent times.

Many of these require little elaboration. The corporation tax rate of 42 per cent. remains unchanged, but this applies up to a higher ceiling of £50,000. Between that figure and £85,000 the effective marginal rate goes to 66 per cent., so that by this latter level the company is paying an effective 52 per cent. overall.

The profit level below which the Revenue will not require a close company to distribute its available trading profits as dividend is raised to £15,000 for accounting periods ending after October 26, 1977. For companies with profits up to £75,000, the amount to be regarded as distributable will never exceed those profits less half of the amount by which they fall short of £75,000. Apportionment of income is a Damoclean sword which falls each year on only a handful of companies.

Investment in new small businesses is to be encouraged in two ways, set out in clauses 25, and 40. The first gives an individual who makes losses in any of his first four years' trading on his own account the right to carry these back for up to three years. This enables him to carry losses back into the years before he started his own business—as already announced. Coupled with the already existing carry forward provisions, it provides considerably greater flexibility, and the possibility of accelerating any tax repayments available in the early years of his operation.

The second incentive to invest is given to the provider of loan capital, or to a person guaranteeing the traders borrowing. If the loan is made, or the guarantee given, after April 11, 1978, a capital gains tax loss can be claimed by lender or guarantor if and when the loan becomes irrecoverable or the guarantee is called. The relief excludes loans and guarantees between husband and wife and between associated companies.

Passing a family business or a family company down the generations will be much less expensive as a result of clause 37. This holds over the capital gains tax charge on gifts of those assets until the recipient himself s[ells] them. Agricultural land qual[ifies] for the relief, even where [the] donor was not himself a far[mer], so also do trading assets [and] shares in family companies a[t the] time they pass from truste[es to] beneficiaries, or when one [farm] tenant succeeds another.

The increase in the ca[pital] transfer tax threshold [from] £15,000 to £25,000, and the [ad]vancement of each other tax b[and] were announced last Octo[ber]. Clause 49 contains the deta[iled] legislation.

The Chancellor indicated [last] October that he was also pro[pos]ing to reduce by 50 per cent. [the] value charged to tax where [un]incorporated businesses and [con]trolling shareholdings were tr[ans]ferred. A second reduction [in] value was promised for trans[fers] of minority shareholdings in [un]quoted companies, this bei[ng at] the rate of 20 per cent. Bo[th the] new 20 per cent. reduction [and] the increase from the previo[us 30] per cent. to 50 per cent. we[re to] be limited to the first £50[,000] of transfers made. Without fanfare, this limitation has [been] omitted from clause 51 of [the] Bill.

Mortgage tax relief remains unchanged

THE LIMIT on property loans ranking for mortgage interest relief is to remain at £25,000 for 1978-79, says Clause 16.

Since 1974, when the limit was introduced, and March 1978, houses in the £30,000-plus market have risen by about a fifth over the nation as a whole. So, to keep pace with the rate of inflation in houses, the mortgage relief limit should now be in the region of £30,000.

The figure was set in 1974 as the maximum amount of borrowing for "an only or main residence" for which interest could be claimed for tax purposes. The limit has to be re-enacted every year—the result of a 1974 compromise at Report Stage after there were attempts to have it indexed in committee.

The sums involved in raising or lowering the relief threshold are negligible compared with the £1bn. or so that mortgage interest relief costs the Exchequer each year. The gain in revenue if the limit were reduced to £15,000 for example would be unlikely to be more than £5m., while if it were raised to £30,000 the loss would probably be less than £1m.

It should be noted that pre-1974 borrowings carry full tax deductability until 1980 under the transitional arrangements in the 1974 Act. These loans, even if more than £25,000, will therefore give unrestricted interest deductions for another two years.

Concession to divers

DIVERS and diving supervi[sors] working in the North Sea [and] other offshore waters will [be] taxed under Schedule D, as [self-]employed, from 1978/79, inst[ead] of under Schedule E (PAY[E] as] Clause 24 lays down.

The estimated cost of this [con]cession to the Exchequer i[n a] full year is £1m., altho[ugh] revenues will be reduced by £[...] in 1978/79 as the divers gain [the] benefit of transferring from [Pay] As You Earn to income tax [paid] a year in arrears.

The justification of the cha[nge]over given by Mr. Robert S[hel]don, Financial Secretary to [the] Treasury, to the Commons ear[lier] this year is one that it is fea[red] other industrial groups may [try] to exploit in future.

He defined the distinc[tive] features of their work as "[the] danger which it entails, t[he] vulnerability to long-term hea[lth] hazards, the exceptional tra[vel]ling difficulties involved and [the s]hortness of their working li[fe."]

Value added tax changes

CLAUSE 9 sets out the £10,000 annual turnover above which a trader is required to register for VAT, thus becoming liable to charge tax to his customers and to file the periodic returns necessary for paying that tax over to Customs and Excise. It also specifies the £8,500 figure below which he can deregister.

What is also made clear in Clause 10 is that in future the Customs will be able to cut through red tape which has prevented deregistration when a trader failed properly to file all his returns—a solution as welcome to uncomprehending small traders as to hard pressed Customs men.

Self-employed abroad

TAX relief for self-employed people and members of partnerships resident in the U.K. and working abroad is introduced in Clause 22. It is similar to that brought in for employed individuals in the last Finance Bill.

The qualifying period before relief is available has been doubled, however, to 60 days. This is because it is much more at a self-employed individual's discretion whether or not to be abroad than an employee's and because of the greater difficulty in establishing whether it was all for genuine business reasons. The longer qualifying period reduces the enforcement problem.

The deduction to be given is 25 per cent. of that part of the profits from the trade which is attributable, on a time basis, to the number of days working abroad in the year of assignment.

Very few people are expected to benefit from this provision. Among those who will find it a useful concession will be consulting engineers and architects on fairly long assignments, for instance in the Middle East.

Tax disclosures to the EEC

THE Inland Revenue is empowered by Clause 62 to disclose information to other EEC taxing authorities. This provision is made necessary by Directive 77/799, but it represents no extension of the provisions already incorporated into the Double Tax treaties between the U.K. and each of the other EEC states. The treaties enable the Revenue to swap information needed for the prevention of fiscal evasion.

Industrial buildings

A CHANGE is made by clause 31 to those who qualify for industrial building allowances. Previously they were allowed to those responsible for the expenditure on construction of a building, or its purchase new and unused. Where a public authority constructed advance factories, but was unwilling to sell them outright, it could not pass the entitlement to allowances to a company which only leased the buildings. It could not itself benefit if it was not taxable.

The company and the authority can now elect jointly that the grant of the lease, and the premium paid by the lessee on the grant, shal qualify the lessee for the allowances. Anti-avoidance provisions are written in the grant, shall qualify the lessee, who are connected from using the flexibility provided by this clause to obtain tax benefits.

Capital gains rollover relief

CAPITAL Gains Tax rollover [re]lief for the replacement of b[usi]ness assets is relaxed in t[wo] directions by clause 38. First, [an] individual or company carryi[ng] on two or more separate tra[des] can rollover an asset disposal [in] one against an acquisition [in] another.

One of the problems in t[his] area in the past has been the [un]certainty as to whether t[he] Revenue would accept that t[he] activities could be regarded [as] all part of one conglomera[te] trade. Taxpayers could seld[om] obtain advance clearance on t[his]. Secondly rollover relief will n[ow] be available to the individu[al] who owns and replaces an as[set] which is used for trading pu[r]poses by his family company.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● RESEARCH

Sounds reveal damage

TECHNIQUE being used at Bath University for testing pressure vessels made of glass reinforced plastics (grp) by listening to them with an electronic "stethoscope" has attracted a £35,000 research grant from the Science Research Council.

Professor Bryan Harris and Mr. Mike Phillips of the University's School of Materials Science point out that reinforced plastics containers are used more and more to hold liquid gases, for piping used in chemical plants, for rocket motors, for miniature "submarines" for undersea oil exploration, and so forth. But they are usually under great pressure and are, at present, made up to twenty times stronger and more expensive than they need to be.

Professor Harris says: "Some pressure vessels designed and manufactured to withstand pressures of 100,000 lb per square inch may never in fact be used over 5,000 lb per square inch, but this over-design is necessary because at present nobody knows how and why they fail."

At present products of this kind are proof-tested to twice the load they will be used at, but proof testing may itself damage the structure of glass-reinforced plastics and weaken them.

Research at Bath aims at finding a way of testing the material without subjecting it to excessive loads. The kind of microscopic damage that occurs during proof loading or in service gives rise to minute sounds which can be detected, amplified, and analysed to provide the "listener" with an indication of what is happening to the structure. The SRC grant has provided a piece of equipment that can separate these acoustic emissions into an energy spectrum which should show the proof testing engineer whether his vessel is safe or has accumulated dangerous amounts of damage. Some work of this kind has been done in the U.S., but is a completely new line of research in Britain.

Industry has a great interest in the research. For instance the CEGB has recently begun to use grp in place of metal in the manufacture of vessels which contain cooling water in electrical generators, because it is lighter, cheaper and does not rust. These vessels are subject to continuous internal pressure from circulating hot water and because it is not known when they will fail so much material is built into them that up to 80 per cent. is wasted in extra costs. The CEGB is anxious to bring down costs by using only the amount of grp necessary for safety. Companies like ICI also want to know how grp will stand up to long-term use in pipes and vessels to contain corrosive fluids in chemical process factories. And the Navy is interested because of the use of grp in making ships like the minesweeper HMS Wilton, the first grp ship in the world in naval service.

The work will begin with laboratory work on flat plates and cylindrical samples which can be cut up after loading and examined by electron microscopy so that visible signs of damage can be compared with the acoustic energy data. Subsequently, field visits will be made to power stations or factories and the acoustic "fingerprints" of real pressure vessels will be taken for comparison with the results of the preliminary laboratory work.

Eventually the Bath team hopes to be able to visit an installation with its sound equipment, listen to a new pressure vessel and tell the management whether or not it is satisfactory.

University of Bath, Claverton Down, Bath BA2 7AY. 0225 6941.

● ENERGY

Makes the fuel go twice as far

AIMED AT what could be a highly lucrative European market of some 46m. central heating installations, growing at an annual rate of about 2½m., is a U.K.-backed project which seeks to cut fuel consumption per installation by half.

Behind that bald statement lies several years of work at Glynwed Central Resources which has reached such a promising stage that a large EEC grant for further development has been awarded.

The essence of the project is to operate a heat pump (reverse refrigerator) which will take energy from outside the dwelling and release it to domestic heating and hot water systems. But the pump will be driven by a gas-driven Rankine cycle engine and the aim will be to simplify this section of the equipment so as to have one moving part only—a high-speed rotating shaft with a turbine at one end to operate the heat pump's compressor and a feed pump at the other to operate the Rankine.

The working fluid is a high molecular weight high heat capacity polymer stable at high temperatures, non-corrosive and non-toxic—and several possible candidates have been studied. It is used in the thermal engine cycle and the heat pump cycle and no shaft seals will be required.

The intention is to continue development with the turbine/compressor unit along the lines of a gas bearing supported design with no lubrication, metal to metal contact taking place only on start-up and stopping so that wear would be minimal.

Uses any fuel

Prototype equipment runs on gas. But any fuel could be used to provide the motive power to the Rankine circuit.

A standard unit of 10 kW nominal heat output is the objective. This requires 6.8 kW of prime energy against 15.4 kW for a conventional boiler. It will be essentially simple to control, noiseless and pollution-free and inherent in the concept is great compactness.

Layout is being arranged to cater for power generation where required; enough for the needs of the average house.

A number of important points arise from the foregoing. The main one is that the direct-fired heat pump would slot into any warm air or warm-water based heating system without the need for the distribution section to be altered. It could operate in reverse during hot weather. It should be highly reliable and relatively easy to install.

Conservative cost projections for individual units made by the company start from a basic capital cost of £1,000 compared with one of £700 for a conventional system. Fuel costs drop to £65 a year compared with £150 and allowing for a 10 per cent. annual increase in fuel prices, it follows that a user who installs a total Glynwed system would save something like £1,350 over ten years despite the higher capital cost.

Considering only fuel and boiler costs with the heat pump at £500 and the boiler part of a conventional system at £200, break-even comes in 3½ years and the saving after ten years is £970.

Expenditure by Glynwed on the development is put at around £200,000 over the period 1977/79 and while the EEC contribution has not been disclosed it is know to be considerable.

European lead

Work along similar lines is in progress at Harwell. In Italy, Rankine engines are under study for district heating schemes, while in Japan they are in use for heavy industrial applications. But in the U.S., a development programme which embraces Stirling, Rankine and similar external combustion engines as prime movers in heat pump schemes is the subject of a $80m. Government-funded programme.

There is thus a need for Europe to catch up and keep up which appears to have been recognised. The promise is for a considerable extension of U.K. manufacturing within, say, two years.

On the face of it, the Rankine heat pump is at least five times as efficient as electric unit heating in converting primary energy into comfort. This cogent argument cannot be ignored at a time when industry and domestic users are being exhorted to "save it."

The development team under Dr. R. J. Clark, technical director, underlines its belief that it is a waste of time—from the conservation viewpoint — to develop electrically powered heat pumps since when generation and transmission losses are taken into account, the latter can have efficiencies of no better than 65 per cent., comparable with a good gas or oil-fired boiler. Electrically driven pumps, on the other hand are preferable to any other form of electrical heating.

Further details of the project from Glynwed Group Services, Headland House, New Coventry Road, Sheldon, Birmingham B26 3AZ. 021 742 2366.

Display to meet most user needs

CUSTOMISABLE is the word used to describe Logica's intelligent visual display terminal. A user buying it from Logica obtains a unit on which he specifies his own requirements from a list of options.

In the past, many such terminals have been a compromise between the requirements of individual users and the constraints imposed by manufacture in volume. With Logica's new unit the customer can choose any combination of features from an extensive list which includes 132 or 80 character lines, up to 30 lines per screen; software control of editing, protection, validation and processing of data plus scrolling and paying; down-line or local program loading; emulation of standard terminals, with extra features, and up to 64K bytes of memory, among other characteristics.

Logica has developed this VDU on the basis of extensive experience in the design of terminals for special applications and developing custom-built displays for client assignments.

Logica on 01-580 8361 at 64, Newman Street, London W1A 4SE.

● COMPONENTS

Switched on lightly

FINGER TIP touch on a brushed aluminium plate is sufficient for on-off control of lighting with the Midas touch dimmer control, says Superswitch Electric Appliances.

Lighting brilliance is increased or diminished, or held at the desired level, by more prolonged pressure, and the control is located in the dark by an amber indicator light which works at maximum brightness when the switch is off.

The control automatically adopts the "off" mode so the lighting will remain off in the event of bulb failure, and illumination of the indicator light will show when the power has been restored.

More from the company at 7 Station Trading Estate, Blackwater, Camberley, Surrey GU17 9AH (0276 34556).

● MATERIALS

Promoting a tough metal

COPPER Development Association, with the support of the main U.K. manufacturers of cast and wrought aluminium bronze, is launching a programme to develop the industrial uses of this material.

The first phase of the programme, aimed at industrial plant and component design engineers, will include the production of a manual providing full details of material properties, standards, typical applications, shapes, forms and sources of supply. Information sheets will also be prepared giving specific data on aluminium bronze applications. A conference will be held in London early in 1979.

The blend of strength, corrosion resistance, weldability, fabrication and foundry properties of aluminium bronze has long been recognised by many users including the Royal Navy, as fulfilling the exacting requirements of marine, offshore and process plant environments. Typical uses include pumps, valves, impellers, marine propellers, reaction vessels and pipework, heat exchangers, gears and fasteners.

As part of its copper information service, Copper Development Association will provide comprehensive advice on aluminium bronze from the design stage through material selection to manufacture.

Manufacturers supporting the programme are: N. C. Ashton, Boulton Foundries, Delta (Manganese Bronze), Langley Alloys, Meigh Castings, Mckechnie Metals, Stone Manganese Marine and Yorkshire Imperial Metals.

The manual will be available in September. Enquiries should be addressed to: Aluminium Bronze Enquiry Service, Copper Development Association, Orchard House, Mutton Lane, Potters Bar, Herts. EN6 3AP. Potters Bar 50711.

● COMPUTING

Performance improved

SPEAKING to the annual Tesdata European users' conference in Cannes recently, DM Planning, vice-president sales, said Tesdata sales last year were $14.5m., that approximately 30 per cent. came from Europe, and that there were over $25m. worth of Tesdata's MS systems installed. Tesdata expects to instal some $20m. worth this year.

In the next 18 months a number of product enhancements and add-ons to the MS line of measuring systems will be announced.

Tesdata equipment is used by large installation, skilled staff companies, who are not just content to do simple processor and memory hardware measurement but wish to get into total systems measurement, which includes I/O, peripherals, terminals, communications and software.

The reasons are easy to summarise. Systems evaluation and performance measurement, leading to actually doing something to improve throughput is a growing discipline among larger users: it can be used to delay upgrades, or simply to add to profit. H. Firtik of the Continental Illinois Bank of Chicago talked of a 20 per cent. average document throughput rate improvement and a $2.3m. increase in earnings without any equipment or personnel increases.

As for the delay in upgrades, Rank Xerox reported that in one IBM installation it had saved the next minimum upgrade, an economy of £162,000, and put back purchase of a new processor by one year.

Performance measurement in large installations, however, can have many purposes. A lucrative market for Tesdata is in airline systems, where it gets used for monitoring efficiency, eliminating bottlenecks, and generally seeing to it that the CPU's are kept as loaded as possible without any systems degradation. In the case of Air France, however, the hardware monitors have been used largely to watch the equipment provided by the supplier, Univac, Air France having its own software system. Now it has become part of the evaluation process during the purchase of new equipment (three Univac 1140 CPU's) and was used in the decision making process to try to arrive at a configuration.

If not exactly the odd man out, the Univac installation is not an everyday one for Tesdata. Most of the systems they have sold to have gone to large multi-site, multi-system IBM users, even if at the start they are not used in all the users installations.

An example of the large multi-site user is to be found in Deere and Co., of Molines, Iowa. It has four computer centres, three in the U.S., and one in West Germany. These are interconnected the company indeed has 280 data transmission lines. It also has nine 168s, three 158s, a large number of disc and tape drives, and nearly 2,500 terminals. Hence it has had to become deeply immersed in software and hardware monitoring and measurement: In this sort of situation even a 1 per cent. increase in throughput can be worth hundreds of thousands of dollars.

● LICENSING

Looking for business

EIGHT CITY and regional industrial development bodies from the Canadian province of Ontario are coming to the U.K. over the next few weeks to look into business opportunities.

Contact will be sought with British companies interested in expanding their penetration of Canadian and U.S. markets through expansion of manufacturing operations, new plants, warehousing and distribution facilities. Joint ventures and licensing arrangements are also on the agenda.

Arrangements are being handled by the Business Development Branch, Ontario House, Charles II Street, SW1Y 4QS.

● INSTRUMENTS

Accurate thermometer

JENWAY has added a high accuracy model to its hand-held, battery-powered digital thermometer series.

Model 8055 is intended for use with a range of platinum resistance temperature probes. These include both the five standard probe types available from Jenway, and versions manufactured to meet specific customer requirements.

It has a temperature range of -199.9 degreesC to +199.9 degreesC, to a resolution of 0.1 degreesC. It embodies a high proportion of modular circuitry for linearization of the probe input, and for driving its four, 7-segment LED displays.

Together these design features have not only contributed to the low parts count and, therefore, low production cost of the instrument, they have also significantly reduced power consumption. With standard HP7 batteries, up to 12 hours continuous use is possible; and with optional MN1500 manganese alkaline cells, 45 hours continuous or 100 hours intermittent use is claimed.

Jenway, 26 Bloomhills Industrial Estate, Rayne Road, Braintree, Essex. 0376 262664.

Keeps fungi at bay

A FUNGI/BACTERICIDE of low toxicity, developed for industrial use wherever stringent standards of hygiene are needed on internal surfaces usually prior to redecoration, is announced by Liquid Plastics, London Road, Preston PR1 4AJ, Lancs.

As a pre-treatment to walls and ceilings that are to be coated in Steridex Biocidal Wash, promises a highly durable fungistatic membrane as protective coating in hygiene-sensitive areas. It is said to be virtually odourless, highly resistant to water-based chemicals and will withstand scrubbing with scouring powder without damage to the semi-gloss, low reflective finish.

Initial tests indicate an effective life-span in excess of two years, and tests conducted to BS 1982 (1968) show no regrowth of heavily contaminated areas. 0772-59731.

● PROCESSING

Shaping of laminates

EQUIPMENT for the shaping of laminates by what is known as the post-forming process is to be marketed by Evans Rotork, a new company set up by Rotork of Bath, Somerset, following its acquisition of the Evans Division of Royal Industries of Phoenix, Arizona.

In the post-forming process laminates are softened by heat and bent to conform to almost any two-dimensional curved or shaped surface. By this means it is possible, for instance, to produce smooth curvey edges to the laminated tops and doors of bathroom or kitchen units and thus avoid inclusion of corners which might trap dirt or show dark edge lines.

Evans Rotork is now offering what it calls the basic starting kit—the post-forming machine alone—or a complete production line which would include a glue sprayer, index table and bonding roller, mitre saw, router and joiner. The equipment is such that it can be used both for producing single units and mass production work.

Why morale is so low at the World Bank

BY DAVID BELL IN WASHINGTON

MORALE AT the International Monetary Fund and the World Bank—two multilateral financial institutions which employ more than 5,000 people from 130 countries in Washington — has seldom been lower. The immediate cause of discontent is heavy American pressure to make both institutions cut the real salaries of most employees. In the words of one U.S. official, they are "overpaid and overperked."

But the debate about salaries—and such things as first class air travel, subsidised lunches, and low interest loans—is a symptom of a much deeper concern. Many employees have come to believe that the U.S. wishes to change the nature of the organisations and that Congress, in particular, knows little and cares less about what they are trying to do.

Mr. Fred Bergsten, the Assistant Treasury Secretary responsible for U.S. relations with the World Bank, is a firm supporter of both bodies and dismisses the charges as "ludicrous." But they are widely made even by some American employees at the bank who recently asked President Carter to stop unwarranted Treasury interference in bank affairs.

British employees, in a similar letter to the U.K. executive director, said that "we strongly believe that the pressure which the U.S. Government has exerted on this institution is not based on any real concern for the developing countries, but on personal rivalries, domestic political expediency, and international diplomatic trade offs." The air is thick with charges and *countercharges of this kind*. It is far from easy to sort them all out. What is clear is that both organisations are under closer scrutiny in Washington than at any time since the McCarthy period and that certain members of Congress seem to regard them as a prime target for criticism.

The Congressional case against the World Bank was stated in an article last month by Congressman Clarence Long, chairman of the international operations subcommittee of the House appropriations committee. It is worth quoting one paragraph at length as it shows how suspicious many Congressmen have become of the *Bank and its aims. (The Fund* comes in for less criticism, perhaps because its role is less easy to understand).

"The present writer feels," Mr. Long writes, "that the shift to multilateral aid is 'backdoor' spending and has resulted in unresponsiveness to the American taxpayer, who put up the money, in extravagant tax free salaries, benefits and travel for bank employees, in aid to dictatorships and violators of human rights, and in subsidies enabling steel and other industries abroad to undersell U.S. industries that cannot get similar low-cost loans."

Faced with that kind of view the Administration, which is still trying to get Congress to accept a massive increase in appropriations for both the Bank and the Fund, has been forced to give ground. It has given way, for instance, and accepted one Congressional amendment which instructs the U.S. executive director of the Bank to oppose loans for certain commodities *that compete with U.S. products.* (Sugar from Swaziland is merely one example.)

There has also been pressure on both bodies to prevent lending to some countries on "human rights" grounds, pressure which still continues. In the view of the employees, at any rate, the U.S. has been least helpful in the case of salaries, its willingness to go along with Congress' prejudices may already have done lasting harm to the two organisations.

> **U.S. pressure to reduce salaries at the IMF and the World Bank is a symptom of a much deeper concern. Many employees have come *to believe that the U.S. wishes to change the* nature of the two organisations.**

Employees of the Bank and Fund are not especially popular with the U.S. civil service. There is great resentment of what many Americans believe to be excessive tax-free salaries paid to the non-U.S. staffs, and a range of other perks.

The official American view is that IMF and World Bank salaries are out of line with *comparable salaries in the U.S.*, and even with those in the German civil service. The U.S. is pressing the view that they should be based on a weighted average of salaries paid in the U.S. private and public sectors, together with the civil services of a few other important donor countries.

In an effort to find objective figures about comparative salary levels in the U.S., western Europe, and elsewhere, and to see whether employees are indeed overpaid, the Bank and Fund have jointly commissioned a study by management consultants. It will not be ready until late summer. In the interim, both organisations prepared to pay their staff a full 7 per cent increase based on the increase of the cost of living in Washington in the past year. But the U.S. lobbied hard against it, even using its ambassadors in several countries to put pressure on finance ministers.

The Americans agreed with great reluctance to an increase of half the amount proposed.

American officials make little secret that it is their inclination that salaries of non-U.S. employees should be cut by between 5 and *10* per cent. in purchasing power over the next three years. Though Americans working for the organisations do pay tax, they do so on a very favourable basis of assessment which Washington would like to abolish. As a result their salaries after tax would be cut by up to 20 per cent. *This has caused an outcry* within the two organisations *on* the grounds that it proves that the U.S. has taken a decision before seeing the evidence. But U.S. officials say that they are prepared to change their minds if the new figures contradict those on which they have taken their position.

Critics of the U.S. position argue that it is harming the Bank and Fund in two ways. First, that the public attacks on the staff salaries made by Mr. Michael Blumenthal, the Treasury Secretary, and others have undermined the institution's standing on Capitol Hill and have played into the hand of their opponents there. They have also undercut the position of staff working on overseas missions. Second, the critics argue that the U.S. attempt to keep down salaries will inevitably threaten the multilateral character of the two bodies. They argue that it is now increasingly *hard to* recruit staff of the right calibre from much of western Europe, Brazil, Japan, and some other countries.

Some employees believe that the U.S. is really trying to reduce the number of western European employees (not the British, of course who are still extremely well paid in comparison with U.K. salary levels) and thus ensure that more of the decision making can be dominated by the Americans. The U.S. is by far the largest donor to the bank and the largest shareholder in the fund Mr. Bergsten summarily rejects this charge, saying, with some justification, that no previous administration has been *as committed as the present to the principle of multilateral aid* or has proposed so large an increase of appropriations. The U.S. does not want to end the salary differential existing in favour of the Bank and Fund, he maintains, but to limit its extent.

But it is very hard to measure this differential, comparing salaries to those in the U.N. or the EEC or the OECD, or private industry. There are very important intangible factors which seem scarcely to concern some American officials. For instance, although a change is promised, U.S. law still prevents most non-U.S. Bank and Fund wives from working. Many employees spend long weeks away from home in inhospitable places. Wives who speak no English, children of non-U.S. officials, who go through schools have to leave the country after university, even though they have grown up in the U.S. The only way around is to apply and be accepted as an immigrant, which is complicated and may not suit the family concerned.

It will be up to the consultants to take account of all these factors but there is no doubt that for the moment the U.S. attitude has poisoned the atmosphere, however well founded some American objections may be. Many employees, even those at senior level, in both organisations, fear that these past weeks have seen only a light skirmish compared with the arguments that will break out when the consultants have finished their work. Certainly the leadership of both organisations faces a very difficult task in trying to sort them out to the satisfaction of everyone concerned.

AAC

Group Gold Mining Companies

(All companies are incorporated in the Republic of South Africa)

Transvaal

Reports of the directors for the quarter ended 31st March, 1978

Vaal Reefs Exploration & Mining Company Limited

ISSUED CAPITAL: 19 000 000 shares of 50 cents each
PLANNED PRODUCTION FOR THE YEAR ENDING DECEMBER 31 1978
Tonnage 7 200 000 Grade 9.0 grams per ton

	Quarter ended Mar. 1978	Quarter ended Dec. 1977	Year ended Dec. 1977
OPERATING RESULTS			
GOLD			
Tons milled	1 892 000	1 809 000	7 165 000
Yield—g/t	8.60	8.79	8.95
Gold produced—kg	16 265	15 903	64 126
Revenue per ton milled	R41.35	R43.87	R37.09
Cost per ton milled	R27.95	R27.85	R26.75
Profit per ton milled	R13.40	R16.02	R10.34
Revenue	R78 234 000	R79 358 000	R265 737 000
Cost	R52 874 000	R50 372 000	R191 658 000
Profit	R25 360 000	R28 986 000	R74 079 000
URANIUM OXIDE			
Tons treated	1 170 000	1 287 000	4 786 000
Yield—kg/t	0.21	0.20	0.21
Oxide produced—kg	246 435	258 794	1 016 955
Profit on sales	R4 189 000	R8 774 000	R16 950 000
FINANCIAL RESULTS			
Working profit—Gold	R25 360 000	R28 986 000	R74 079 000
Profit on sale of:			
Uranium Oxide	4 189 000	8 774 000	16 950 000
Sulphuric Acid	14 000	18 000	68 000
Net sundry revenue*	1 084 000	2 321 000	3 883 000
	30 647 000	40 099 000	94 980 000
Deduct:			
Royalty to Southvaal Holdings Limited—estimated	3 282 000	3 368 000	8 462 000
Profit before taxation and State's share of profit	27 365 000	36 731 000	86 518 000
Taxation and State's share of profit—estimated	7 751 000	4 191 000	14 254 000
Profit after tax and State's share—estimated	R19 614 000	R32 540 000	R72 264 000
Capital expenditure	R10 681 000	R21 236 000	R42 233 000
Dividends declared—amount	—	R11 400 000	R21 850 000
—per share	—	60 cents	115 cents
Loan levies—estimated	R846 000	R428 000	R1 516 000
CONSOLIDATED PROFIT			
Estimated consolidated profit after taxation and State's share of profit of *the company and its wholly-owned* subsidiary, Western Reefs Exploration and Development Company Limited	R19 617 000	R32 534 000	R72 270 000

* Includes net revenue of R255 000 for the quarter (December 31 1977 net expenditure: *R107 000*) being the company's *share of revenue less operational costs* in terms of the tributing arrangements with Buffelsfontein Gold Mining Company Limited.

DEVELOPMENT

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t	uranium kg/t	uranium cm.kg/t
VAAL REEF SHAFT AREA							
No. 1	4 132	386	20.3	94.53	1 919	2.63	53.31
No. 2	4 296	506	89.6	40.64	3 641	0.60	53.46
No. 3	1 232	168	13.6	184.26	2 506	3.40	46.20
No. 4	3 515	202	35.0	45.03	1 576	1.05	36.91
No. 5	5 803	420	48.7	37.60	1 831	1.21	59.14
No. 8	10 331	770	59.7	42.65	2 546	1.01	60.29
Quarter ended March 1978	29 309	2 452	52.6	46.92	2 468	1.04	54.69
Quarter ended December 1977	32 472	2 582	59.3	35.48	2 104	0.77	45.48
Year ended December 1977	128 652	12 298	49.9	40.48	2 020	0.89	44.45
"C" reef							
No. 8							
Quarter ended March 1978	38	—	—	—	—	—	—
Quarter ended December 1977	144	8	7.5	30.40	228	1.78	13.34
Year ended December 1977	357	128	17.8	151.40	2 695	4.36	77.69

DIVIDEND PAID
The dividend of 60 cents a share declared during the quarter ended December 31 1977 *was paid on February 3 1978.*

CAPITAL EXPENDITURE
Estimated expenditure for the year ending December 31 1978 is R72 000 000. Orders placed and outstanding on capital expenditure contracts as at March 31 1978 *totalled R19 180 000.*

VAAL REEF SOUTH LEASE AREA

Included in the above are the following figures in respect of the South Lease Area:
PLANNED PRODUCTION FOR THE YEAR ENDING DECEMBER 31 1978
Tonnage 2 300 000 Grade 10.0 grams per ton

	Quarter ended Mar. 1978	Quarter ended Dec 1977	Year ended Dec. 1977
OPERATING RESULTS			
GOLD			
Tons milled	569 000	544 000	2 120 000
Yield—g/t	9.44	9.83	9.77
Gold produced—kg	5 369	5 348	20 716
Revenue per ton milled	R45.08	R48.64	R40.52
Cost per ton milled	R28.35	R28.97	R26.55
Profit per ton milled	R16.73	R19.67	R13.97
Revenue	R25 650 000	R26 463 000	R85 899 000
Cost	R16 129 000	R15 762 000	R56 282 000
Profit	R9 521 000	R10 701 000	R29 617 000
URANIUM OXIDE			
Tons treated	348 000	369 000	1 297 000
Yield—kg/t	0.20	0.20	0.21
Oxide produced—kg	70 102	73 628	268 339
Profit on sales	R872 000	R1 652 000	R3 080 000
FINANCIAL RESULTS			
Working profit—gold	R9 521 000	R10 701 000	R29 617 000
Profit on sale of Uranium Oxide	872 000	1 652 000	3 080 000
	10 393 000	12 353 000	32 697 000
Add: Net sundry revenue (expenditure)*	255 000	(107 000)	(842 000)
	R10 648 000	R12 246 000	R31 855 000
Capital expenditure—new South uranium plant	R1 192 000	R5 153 000	R5 600 000
—Other	4 438 000	R6 325 000	15 496 000
	R5 630 000	R11 478 000	R21 096 000

* This company's share of revenue less operational costs in terms of the tributing arrangements with Buffelsfontein Gold Mining Company Limited.

DEVELOPMENT—SOUTH LEASE AREA

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t	uranium kg/t	uranium cm.kg/t
Vaal reef							
Quarter ended March 1978	10 331	770	59.7	42.65	2 546	1.01	60.29
Quarter ended December 1977	12 005	914	85.6	29.10	2 491	0.67	57.39
Year ended December 1977	45 864	4 805	72.9	32.85	2 395	0.73	33.10
"C" reef							
Quarter ended March 1978	38	—	—	—	—	—	—
Quarter ended December 1977	144	8	7.5	30.40	228	1.78	13.34
Year ended December 1977	357	128	17.8	151.40	2 695	4.36	77.69
Area under tribute to and developed by Buffelsfontein (not included in totals)							
Vaal reef							
Quarter ended March 1978	1 790	186	107.4	11.44	1 228	0.43	45.77
Quarter ended December 1977	1 842	255	120.3	13.30	1 600	0.41	49.36
Year ended December 1977	8 327	1 068	130.4	13.11	1 709	0.47	60.67

CAPITAL EXPENDITURE
Estimated expenditure for the year ending December 31 1978 is R46 000 000 of which R26 400 000 is in respect of the new South uranium plant.
Orders placed and outstanding on *capital expenditure contracts* as at March 31 1978 totalled R12 311 000.

For and on behalf of the board
D. A. ETHEREDGE, W. R. LAWRIE — Directors

April 21 1978

Elandsrand Gold Mining Company Limited

ISSUED CAPITAL: 50 322 825 shares of 20 cents each
CAPITAL EXPENDITURE
Net expenditure on mining assets was as follows:

Quarter ended Mar. 1978	Quarter ended Dec. 1977	Year ended Dec. 1977
R11 403 000	R14 064 000	R45 395 000

Net expenditure on mining assets for the year ending December 31 1978 is estimated at R78 000 000 (previously R76 000 000).
Orders placed and outstanding on capital expenditure contracts as at March 31 1978 totalled R34 634 000.
NOTE:—Prior to commencement of production, expenditure will be capitalised and *revenue earned, after any taxation payable thereon, will be credited to mining assets.*

SHAFT SINKING

	Quarter ended Mar 1978 (metres)	Quarter ended Dec. 1977 (metres)	Year ended Dec. 1977 (metres)
Men/Material Shaft			
Advance	47	12	324
Depth to date	1 980	1 933	1 933
Station cutting	771	1 522	4 079
Orepass raiseboring	—	—	162
Rock/Ventilation Shaft			
Advance	35	72	868
Depth to date (final depth)	2 195	2 160	2 160
Station cutting	90	794	1 610

DEVELOPMENT
During the quarter ended March 1978 a total of 1 123 metres (quarter ended December 1977—463 metres) was developed in the footwall of the V.C.R. horizon within this company's lease area from *Western Deep Levels Limited. In addition* haulage development outside the station area continued in a northerly direction towards the underlying reef on the 1920 and 1998 levels. During the quarter ended March 1978 a total of 826 metres was achieved (quarter ended December 1977—100 metres).

INTERSECTION OF REEF IN THE MEN/MATERIAL SHAFT
The *Ventersdorp contact reef has been intersected in the men/material shaft* at a depth of 1994 metres. The reef was sampled and the average of 12 sections gave values of 2.71 g/t gold and 0.06 kg/t uranium over a true width of 40.9 cm. equivalent to 111 cm g/t gold and 2.63 cm kg/t uranium.
As stated in the prospectus, the shaft system was *sited in an area which was expected* to be low grade so that richer ore would not be locked up in the shaft pillar for the life of the mine.

GENERAL
Construction work for the establishment of the mine continues to be ahead of schedule.
In the company's 1977 annual report, it was stated that the mine is expected to come into production in mid-1979.

For and on behalf of the board
D. A. ETHEREDGE, W. R. LAWRIE — Directors

April 21 1978

East Rand Gold and Uranium Company Limited

ISSUED CAPITAL: 40 000 000 shares of 50 cents each
OPERATIONS

Slimes treated—tons	1 733 000
Production—	
sulphur in pyrite—tons	2 295
uranium oxide—kg	2 897
sulphuric acid—tons	6 689

The company formally came into production on February 25 1978 with the recovery of the first uranium. Sulphuric acid production commenced on March 14 and the first gold bullion was poured on April 11.
As envisaged in the original financial forecast of the project, sales revenue prior *to end-March was minimal* and, as a result, there was an operating loss of R895 000 in the period under review.
The tonnage of slimes treated covers the full quarter while the production figures relate only to the period from February 25 to end-March and are relatively low in comparison *with the tonnage of slime treated because of* the need to build up circuit inventories and operating stockpiles.

CAPITAL EXPENDITURE
Net expenditure on mining assets was as follows:

Quarter ended Mar. 1978	*Quarter* ended Dec 1977	*15 months* ended Mar. 1978
R12 181 000	*R15 396 000*	R94 703 000

Net expenditure on mining assets since the inception of the company to March 31 1978 was R130 189 000.
Orders placed and outstanding on capital expenditure contracts as at March 31 1978 totalled R5 696 000.
NOTE:—Prior to commencement of production, all expenditure was capitalised and revenue earned was credited to mining assets.

For and on behalf of the board
D. A. ETHEREDGE, M. S. McCRUM — Directors

April 21 1978

Southvaal Holdings Limited

The attention of shareholders is directed to the report of Vaal Reefs Exploration and Mining Company Limited.

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

NOTES

1. EAST DAGGAFONTEIN MINES LIMITED
THE SOUTH AFRICAN LAND & EXPLORATION COMPANY LIMITED
VAAL REEFS EXPLORATION AND MINING COMPANY LIMITED
WESTERN DEEP LEVELS LIMITED
DIVIDENDS—REVISION OF DECLARATION AND OTHER DATES

   An announcement was published on February 10, 1978, and copies thereof posted to all members, stating that in future dividends would be declared by these companies when the actual operating results of the relevant accounting period were available rather than before the end of the period based on estimated results. Accordingly in respect of any dividends which may be declared by these companies in the financial year ending December 31 1978 and subsequent years, the declaration, publication, record and payment dates will be fixed some five weeks later than has been the pattern in the past.
2. Development values represent actual results of sampling, no allowance having been made for adjustments necessary in estimating ore reserves.

The Orange Free State Group's results appear on another page in this paper.

Copies of these reports will be available on request from the offices of the transfer secretaries:
Charter Consolidated Limited, P.O. 102, Charter House, Park Street, Ashford, Kent, TN24 8EQ.
LONDON OFFICE: 40 HOLBORN VIADUCT, EC1P 1AJ

The South African Land & Exploration Company Limited

ISSUED CAPITAL: 6 600 000 shares of 35 cents each

	Quarter ended Mar. 1978	Quarter ended Dec. 1977	Year ended Dec. 1977
FINANCIAL RESULTS			
Gold revenue	R1 072 000	R1 805 000	R6 722 000
Sale of salvaged equipment and scrap	84 000	135 000	1 017 000
Sale of capital items	51 000	602 000	1 898 000
Net sundry revenue	149 000	239 000	761 000
	1 356 000	2 781 000	10 398 000
Deduct:			
Operating and salvage costs	1 045 000	1 085 000	6 879 000
Surplus before taxation	311 000	1 696 000	3 519 000
Taxation—estimated	69 000	381 000	831 000
Surplus after taxation	R242 000	R1 315 000	R2 688 000
Prospecting expenditure	R110 000	R103 000	R462 000

OPERATIONS
The company continued treating waste rock and crushing-plant slimes from various locations on the East Rand. Mill throughput for the March quarter amounted to 161 000 tons (December quarter 210 000 tons).

PROSPECTING
Drilling of the two surface boreholes SRK.1 and SWP.1 in the area to the south and south-west of the mine workings is continuing.
Orders placed and outstanding as at March 31 totalled R114 000.

For and on behalf of the board
N. F. OPPENHEIMER, M. S. McCRUM — Directors

April 21 1978

Western Deep Levels Limited

ISSUED CAPITAL: 25 000 000 shares of R2 each
PLANNED PRODUCTION FOR THE YEAR ENDING DECEMBER 31 1978
Tonnage 3 000 000 Grade 14.4 grams per ton

	Quarter ended Mar. 1978	Quarter ended Dec. 1977	Year ended Dec. 1977
OPERATING RESULTS			
GOLD			
Tons milled	764 000	741 000	2 977 000
Yield—g/t	14.55	14.65	14.61
Gold produced—kg	11 117	10 866	43 479
Revenue per ton milled	R70.01	R69.82	R59.35
Cost per ton milled	R33.46	R31.64	R29.48
Profit per ton milled	R36.55	R38.18	R29.87
Revenue	R53 485 000	R51 739 000	R176 683 000
Cost	R25 562 000	R23 445 000	R87 753 000
Profit	R27 923 000	R28 294 000	R88 930 000
URANIUM OXIDE			
Tons treated	219 000	192 000	747 000
Yield—kg/t	0.22	0.22	0.22
Oxide produced—kg	47 303	42 724	167 410
Profit on sales	*R481 000*	R1 405 000	R3 249 000
FINANCIAL RESULTS			
Working profit—Gold	R27 923 000	R28 294 000	R88 930 000
Profit on sale of Uranium Oxide	481 000	1 405 000	3 249 000
Net sundry revenue	934 000	948 000	3 053 000
Profit before taxation and State's share of profit	29 338 000	30 647 000	95 232 000
Taxation and State's share of profit—estimated	15 117 000	15 481 000	45 025 000
Profit after tax *and State's share*—estimated	R14 221 000	R15 166 000	R50 207 000
Capital expenditure	R4 315 000	R4 556 000	R19 600 000
Dividends declared—amount	—	R11 875 000	R20 575 000
—per share	—	47.5 cents	82.5 cents
Loan levies—estimated	R1 665 000	R1 673 000	R4 871 000

DEVELOPMENT

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t	*uranium* kg/t	*uranium* cm.kg/t
Carbon Leader *Shaft area*							
No. 2	3 826	52	42.4	76.51	3 244	1.85	78.34
No. 3	4 327	46	36.8	158.32	5 826	1.09	40.13
Quarter ended March 1978	8 153	98	39.8	111.96	4 456	1.52	60.40
Quarter ended December 1977	8 260	80	28.3	132.90	3 761	1.56	44.13
Year ended December 1977	32 974	526	29.0	87.38	2 534	1.04	30.24
V.C.R. Shaft area							
No. 2	1 640	44	123.7	24.48	3 078	—	—
No. 3	908	154	66.6	26.31	1 752	—	—
Quarter ended March 1978	2 548	198	79.3	25.67	2 036	—	—
Quarter ended December 1977	2 991	170	80.0	33.71	2 697	—	—
Year ended December 1977	11 897	666	60.3	31.28	1 886	—	—

DIVIDEND PAID
The dividend of 47.5 cents a share declared during the quarter ended December 31 1977 was paid on February 3 1978.

CAPITAL EXPENDITURE
Estimated expenditure for the year ending December 31 1978 is R26 000 000.
Orders placed and outstanding on capital expenditure contracts as at March 31 1978 totalled R3 966 000.

For and on behalf of the board
G. LANGTON, W. R. LAWRIE — Directors

April 21 1978

East Daggafontein Mines Limited

ISSUED CAPITAL: 3 730 000 shares of R1 each

	Quarter ended Mar. 1978	Quarter ended Dec. 1977	Year ended Dec. 1977
FINANCIAL RESULTS			
Royalties and gold revenue	R243 000	R291 000	R1 011 000
Sale of salvaged equipment and scrap	2 000	21 000	389 000
Sale of capital items	76 000	112 000	1 345 000
Sale of waste rock dumps	—	210 000	210 000
Sundry revenue	28 000	49 000	125 000
	349 000	683 000	3 080 000
Deduct:			
Costs of clean-up and salvage operations	50 000	1 000*	547 000
Surplus before taxation	299 000	682 000	2 533 000
Taxation—estimated	159 000	279 000	827 000
Surplus after taxation	R140 000	R403 000	R1 706 000
Dividend declared—amount	—	R746 000	R746 000
—per share	—	20 cents	20 cents

* After writing back provisions totalling R88 000.

For and on behalf of the board
N. F. OPPENHEIMER, M. S. McCRUM — *Directors*

April 21 1978

The Property Market

BY JOHN BRENNAN

Chevron takes 'Southside'

CHEVRON Oil Service Company is to be the first tenant of the, until now, ill-fated Army and Navy office scheme, "Southside," in Victoria Street, S.W.1.

Chevron, the holding company of Standard Oil's U.K. susidiaries, has taken a 25 year lease on 36,000 sq. foot of the 135,000 sq. foot block that Esso Europe backed out of as a potential tenant earlier this year.

Richard Ellis, sole agents for Electricity Supply Nominees, the electricity supply industry's pension fund and developer of the £44.5m. scheme, has booked Chevron for the first section of the office space at a rent pretty close to the £15 a sq. foot asking rent. Ellis reports that there are now "several" companies interested in taking the balance of the office space.

Debenham Tewson and Chinnocks acted for Chevron on the letting.

The Southside scheme has been dogged with problems in recent years. ESN financed the scheme, and now has effective 100 per cent. control of the development. But its initial partner, Amalgamated Caledonian, ran into a mass of problems. AmCal was hal' owned by the late lamented Amalgamated Investment and Property, a share later sold by its liquidator to Sir Hugh Fraser's Scottish and Universal Investments. The other half of AmCal was owned by International Caledonian Assets. Intercal was itself owned 28.4 per cent. by the now Lonrho-besieged SUITS, 17 per cent. by House of Fraser and the balance by merchant bankers Nobel Grossart.

House of Fraser, on whose site the scheme has been built, leased back the 118,000 sq. foot department store under the Southside office accomodation for its Army and Navy business.

After AIP's collapse and the property market crash AmCal's equity in the project was slashed and a £4.3m. SUITS loan to the development company had to be written off. The City row that broke over this loan forced Sir Hugh Fraser to reduce his business interests.

As the trials of its initial development partner faded, ESN then ran into another problem when Esso, which had been prepared to take the whole of the office content, was unable to obtain Westminster City Council approval to change the non-department store retail space to office use. Esso left the scene and until to-day's news of the Chevron letting, Southside has been the largest single modern office building standing empty in Central London.

Ellis has the distinction of also acting as letting agent on the next largest empty London office, the 110,000 sq. feet former Sun Life Assurance's city headquarters at 107 Cheapside. That building will not, however, be ready for occupation before September when refurbishment work is completed.

IN BRIEF

LORD Rayne's London Merchant Securities' shop and office scheme at 163-170 Tottenham Court Road, W.1, has been achieving some fancy retail rents for an off-centre site. Joint agents Hillyer Parker May & Rowden and Davis and Company have let the five shop units under the scheme, ranging in size from 900 to 1,500 square feet, at an average £10 a square foot—and that is for unfitted shells.

The agents achieved close to £8.60 a square foot for the 30,000 square feet of office space in the block from EMI's hotel and restaurant division. EMI, advised by P. J. Williams, seems shy of announcing its move. But it failed to tell its neighbours that it was travelling incognito.

●

SINCE its formation in 1974 the British Property Federation has been accused of many things. It has been treated as an ineffectual talking shop, accused of being dominated by the major property companies at the expense of its private landlord members. And the Federation has been charged with having insufficient political muscle to be more than a social complement to the industry's existing pressure groups.

The criticisms are unjust, and the Federation's 1977 annual report, published this week, shows just how far it has progressed in the past four years towards becoming an effective voice for the whole industry.

It is early days for a victory laden battle flag to wave at its critics. But the Federation is able to list a whole series of minor successes in being accepted onto industrial and Government committees as property's representative. Apart from Past President Victor Lucas's continued membership of the Council of the Confederation of British Industry and the National Economic Development Council for the building industry, BPF representatives turn up on dozens of less publicly visible bodies.

The Federation's Commercial Property Working Party, under Neville Conrad's chairmanship, is hammering out amendments to the Standard Form of Building Contract with the Joint Contracts Tribunal, and has submitted comments on the Government's proposals for Inner City redevelopment to the Environment Minister. Written evidence was provided for Sir Harold Wilson's committee on the workings of the City's capital markets; on proposals for taxation of private non-residential car parking; on planing delays; taxation; empty property rating; the laws covering squatting and new measures for housing insulation and housing improvement grants. The BPF is working with the accountants on new proposals for current cost accounting systems for the industry and has been active in petitioning for alterations to private Parliamentary bills affecting the industry.

Little of this work attracts headlines. But it all adds up. And Federation critics might ask who, apart from the necessarily partisan professional property bodies, would bother with these mainly backroom tasks if the Federation did not?

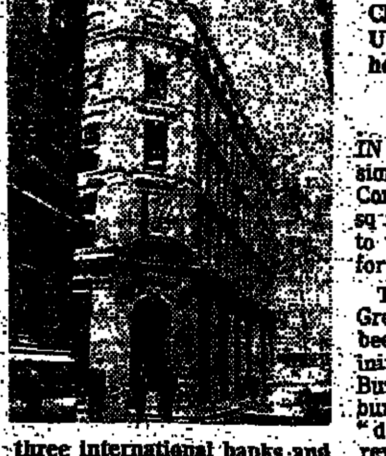
The Federation's annual general meeting will be held at noon on May 9 in the Dorchester Hotel, W.1.

●

Insurance broker Laurie Milbank has now completely sub-let surplus space in its 30,000 sq. ft. Portland House headquarters in Basinghall Street, E.C.2.

Milbank, which took a 20-year lease on the City Corporation's refurbishment earlier this year at rather less than the £350,000 a year asking rent, has drawn in an impressive list of sub-tenants for the upper floors of the building. Sub-leases, believed to range up to 10 years, should take up around a third of the building.

Gooch and Wagstaff, acting for Milbank, has lined up



three international banks and a major U.S. stockbroking firm for the space. Head of the list is the West German bank, Wurttembergische Kommunale Landesbank Girozentrale Stuttgart, Milbank's new top-floor tenant. Baker Harris Saunders acted for Wurttembergische, which will use the Portland House office as its London representative office.

Bank Canadienne Nationale and the Commercial Bank of Korea, which was advised by Richard Ellis, join the German bank on the lower floors. And Debenham Tewson and Chinnocks introduced the U.S. stockbrokers, Oppenheimer and Co.

●

IN a particularly long reversionary deal English Property Corporation has sold its 35,000 sq ft Winchmore Hill office block to the John Laing Pension Trust for £946,000.

The 14-year-old EPC block in Green Lanes, London, N.21, has been sold to Laing to show an initial yield of just 3 per cent. But Laing's adviser, Adam Hepburn, explains that the Trust has "deliberately gone for a reversionary investment." when the Property Services Agency's 21-year lease expires in 1985, Mr. Hepburn expects a dramatic uplift in rents from the current £30,000 a year paid for the North London tax office and a driving test centre.

Pearson's, acting for "an unnamed property company" (EPC) were pleasantly surprised by the price. But Laing has no qualms about the block's location. It is the only significant office accommodation in the Winchmore Hill area, and Hepburn looks to current office rents of over £4 a square foot in comparable North London schemes with less impressive communications and local amenities.

Property Deals appear on Page 18

Tolmers Square revisited

SIXTEEN years after Stock Conversion Investment Trust started its site assembly work in Camden's Tolmers Square area, the Council has ratified plans for a mixed commercial and residential redevelopment of the site.

Stock Conversion sold out its interest in the land to Camden Council for £4m. two years ago after countless unsuccessful planning battles, and some spectacular publicity fights with the local residents' associations. Having taken over the 2.65-acre site, Camden Council has considered alternative plans for the redevelopment and finally ratified proposals for a 200,750 square feet office and 134 house development at its last meeting on Wednesday evening.

After council approval, the new £11m. project will be subject to public consultation. But, as local associations that opposed Stock Conversion's plans seem in favour of the council's latest ideas, there is unlikely to be material opposition.

The revised scheme, prepared by Camden's consultant architects, the Renton Howard Wood Levine Partnership, will be carried out by the council in partnership with Greycoat London Estates, a joint company set up by Sir Robert McAlpine and Sons and the ubiquitous Greycoat Estate. Greycoat was advised by Jones Lang Wootton who will be the scheme's letting agents.

Greycoat and McAlpine will now begin negotiating in detail with the council over financing and construction details of the buildings, which are expected to take around two and a-half years to complete after an hopefully mid-1979 start. So far no financing partner has been mentioned, and Greycoat, so often seen arm in arm with Standard Life, is not yet talking that far ahead.

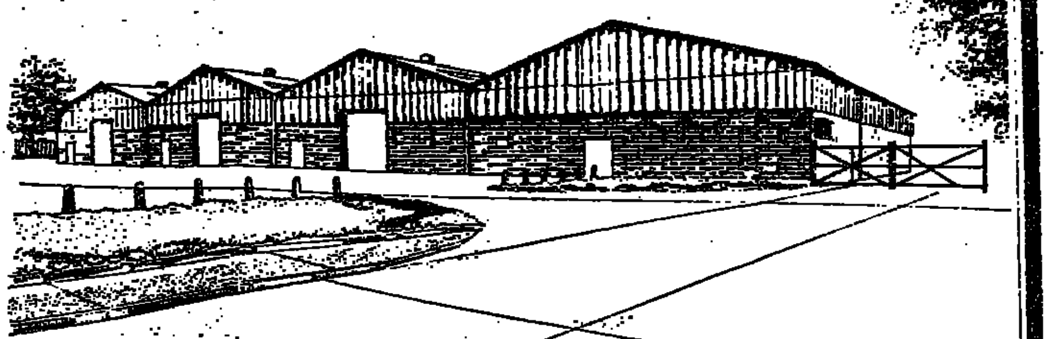
The bulk of the new office space is to be built in three stepped blocks from four to seven storeys high along the Euston and Hampstead Roads. This barrier of office buildings should help to muffle traffic noise from the residential core of the site, which will include leisure facilities, shops and craft workshops as well as housing for 134 families.

INDUSTRIAL AND BUSINESS PROPERTY

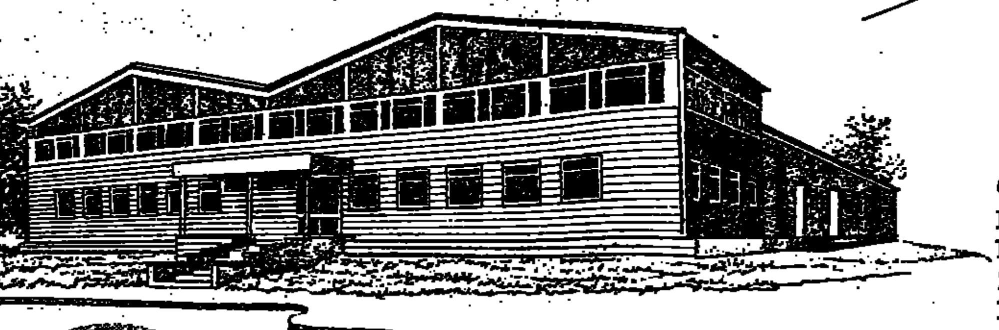
هكذا من الأصل

هكذا من الأصل

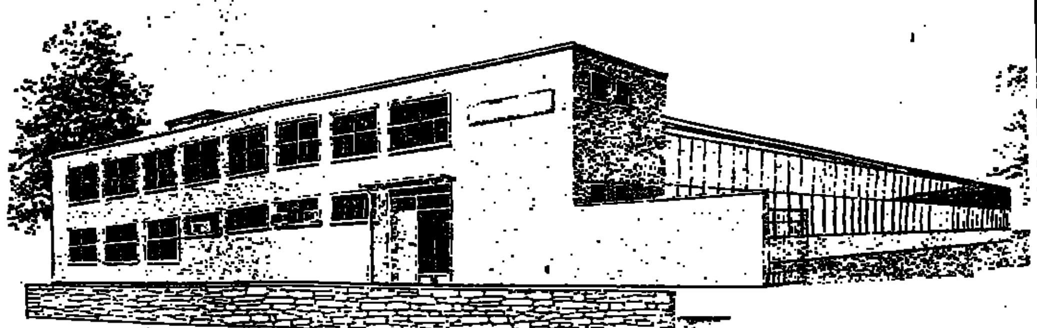
If you have a premises problem, we have four answers.



1 Feltham
Two modern warehouses close to Heathrow.
24,000/29,000 sq. ft.
To be let.

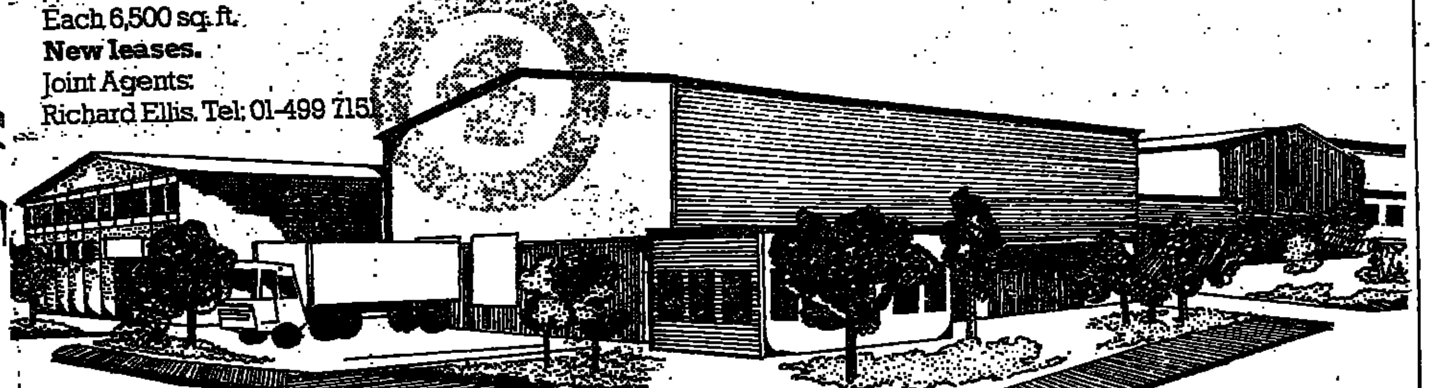


2 Caerphilly
Modern factory.
Pontygwindy Estate.
20,000 sq. ft.
Long lease for sale.



3 Harlow
Factory and Offices
Templefields Industrial Estate.
47,000 sq. ft.
Lease for sale.

4 Coulsdon
Two new warehouses close to M23.
Each 6,500 sq. ft.
New leases.
Joint Agents:
Richard Ellis. Tel: 01-499 7151



SAVILLS
The complete property service.
20 Grosvenor Hill, Berkeley Square, London W1X 0HQ.
Tel: 01-499 8644

A development by Crown House Properties

CITY OF CAMBRIDGE

OFFICES—20,000 sq. ft.

AVAILABLE FOR IMMEDIATE OCCUPATION

CINTRA HOUSE, HILLS ROAD

A NEW BUILDING OF DISTINCTION
PRESTIGE LOCATION
HIGH STANDARD OF FINISHES
LIFTS—GAS CENTRAL HEATING—PRIVATE PARKING

TO LET

Sole Agents:
DOUGLAS L. JANUARY & PARTNERS,
7-8 Downing Street, Cambridge.
Tel: (0223) 63291.

JANUARY

By order of
East Hertfordshire District Council

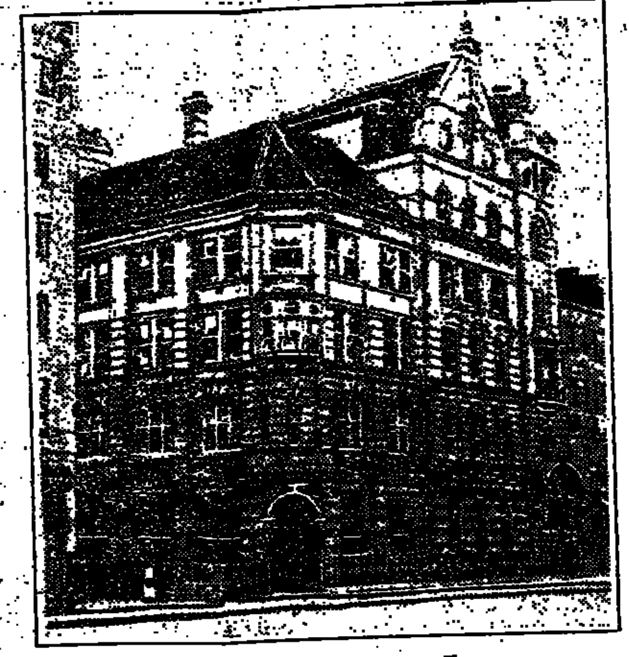
HERTFORD

SITE TO LET
ON GROUND LEASE
FOR
SUPERMARKET
STORE & SHOP UNITS
WITH CAR PARKING

Interested Developers should apply for further particulars quoting Ref. L.A.C./S.H.R.M.

Consultants and Sole Agents:
Hillier Parker May & Rowden
77 Grosvenor Street, London W1A 2BT
Telephone: 01-629 7666
and City of London, Edinburgh, Paris, Amsterdam, Australia.

16-18 New Bridge Street London Ec4



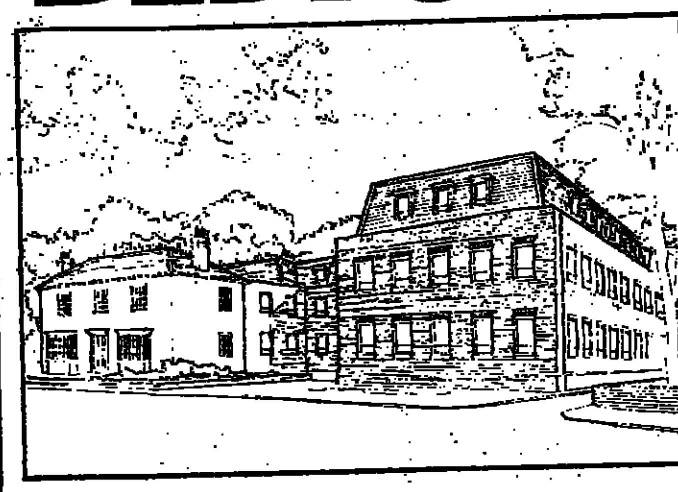
Office Building to Let
FULL AMENITIES OFFERED
All enquiries to SOLE AGENTS
PILCHER HERSHMAN
23 WELBECK STREET, LONDON W1M 7PG

---

an ideal location

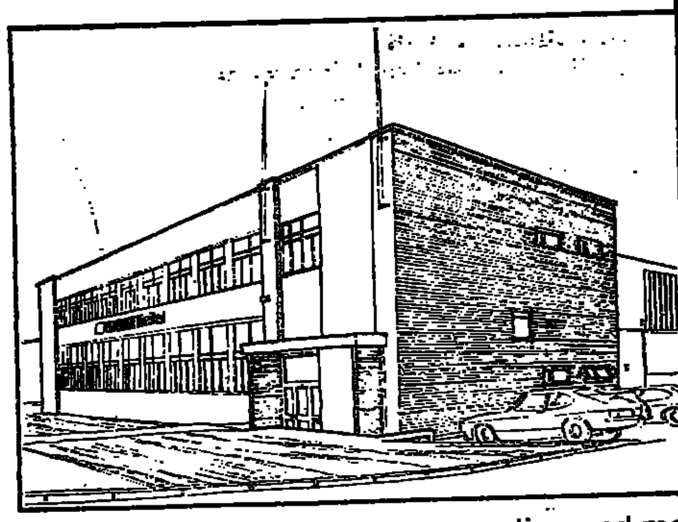
BEDFORD

London 50 miles
Between M1 and A1



Chailey House, overlooking River Ouse, Bedford. 16,200 sq. ft. prestige offices. (Connells)

Harpur Centre. 18,800 sq. ft. new offices, in unique development behind historic Blore facade on town-centre site. Own parking. (Kilroy).



Elms Industrial Estate. Recently-built factory/office premises. 32,000 sq. ft. (Designed, built and financed by Hunting Gate Developments Ltd.).

For particulars of these properties and most medium and large business premises available in North Bedfordshire apply to:-
D. J. Phipps, Chief Estates Surveyor,
NORTH BEDFORDSHIRE BOROUGH COUNCIL,
Town Hall, Bedford. Telephone: Bedford (0234) 67422

SPACENEWS

OFFICES...

GOLDERS GREEN, NW11
Excellent Modern Self-contained offices
5,900 & 8,150 sq. ft.
Leases to be Assigned

EUSTON ROAD, NW1
Excellent ground floor Showroom and Offices
2,100 sq. ft.
To Let

ISLINGTON GREEN, N1
Very Modern Office Suite
4,100 sq. ft.
To Be Let at £3.90 per sq. ft.
Might Divide

INDUSTRIALS...

LANCING, SUSSEX
New Warehouse
20,000 sq. ft.
To Let

LONDON E3
H.O. Factory & Offices
146,000 sq. ft.
Lease to be Assigned

BASILDON, ESSEX
Modern Factory with land
122,000 sq. ft. on 7.1 acres
For Sale

MAIDSTONE, KENT
Factory with land for expansion
33,860 sq. ft. on 2.93 acres
For Sale Freehold

DAGENHAM, ESSEX
Single Storey Industrial
147,675 sq. ft. on 6.45 acres
For Sale Freehold

For further details and other spacenews contact...
FULLER PEISER
3-4 Holborn Circus London EC1N 2HL
Tel: 01-353 6851
Telex: 25916

Clwyd
at the peak of Welsh potential

With its large, multi-skilled workforce, proximity to major markets and national/international communications networks, this progressive Welsh county dominates the north-western development scene. The news in Clwyd is about sales, not strikes — and it's a great place to live, too.

Talk to us about the low-cost sites and factories plus extensive financial aid available to incoming industries — we'll make you a deal you can't refuse. Contact Wayne S. Morgan, County Industrial Officer, Clwyd County Council, Shire Hall, Mold (tel. Mold 2121) for free colour brochure.

GREAT TOWER STREET, EC3
OFFICES TO LET
10,000 sq. ft.
W BERRY TEMPLETON LTD
PROPERTY CONSULTANTS
01-637 4577

COVENT GARDEN WC2
17,000 sq. ft. approx. – OFFICES
Self-contained building. Lift. CH. Car parking.
No Premium.

Neil Frais-Kelly
39 Victoria Street
London SW1H 0EE
01-222 1144

COVENT GARDEN ESTATES
28/29 Southampton St.
Covent Garden
London, WC2E 7JA
01-836 3399

Land for Residential Development

NORTH BERSTED, BOGNOR REGIS, WEST SUSSEX
5.78 ACRES
FOR SALE BY PUBLIC TENDER
Particulars from: Planning Officer, Arun District Council, 4/5, Maltravers Road, Littlehampton, West Sussex BN17 5NA
Telephone Number Littlehampton 6133

CLAPHAM SW9
Modern Factory & Offices
5,842 sq. ft.
LEASE FOR SALE
Contact:
FULLER PEISER
01-353 6851
MELLERSH & HARDING
Chartered Surveyors
01-493 6141

By Order of Barclays Bank Ltd.
PRIME FREEHOLD PROPERTY
44 FORE STREET
TIVERTON, DEVON
LOT I Main St. Bank Premises with accommodation over in multiple trading position, all with vacant possession.
LOT II Warehouse/Store with large garden and direct access from Market. Development potential. Subject to tenancy.
Closing Date for Tenders 17th MAY 1978
Sole Agents:
GRIBBLE, BOOTH & TAYLOR
Estate House, 12 Fore Street, Tiverton. Tel: 56041.
10 West Country Offices

PROPERTY DEALS

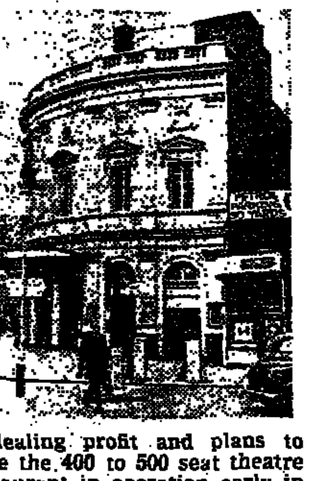
Playhouse Night Club

Jacques Ammet, the night club owner and restaurateur, is to turn the former home of BBC's "Good Show" and Hancock's Half-Hour" into a Theatre Restaurant.

Mr. Ammet, owner of London's L'Hirondelle and Omar Khayyam night clubs, has bought the freehold of the Playhouse Theatre from the City of Westminster for £110,500. The Playhouse, which was used by the BBC as a live radio recording theatre *from 1950 until 1975, is to have* a £500,000 conversion into a theatre restaurant on the lines of the "Talk of the Town" in the West End.

The conversion of the Old Hippodrome Theatre into the Talk of the Town provided a planning precedent for Mr. Ammet and no change of use has been needed to carry out the conversion.

Davis and Coffer, Mr. Ammet's agents, report offers of over £200,000 for the theatre's freehold after the success of their tender for the building. But Mr. Ammet is not interested in



a dealing profit and plans to have the 400 to 500 seat theatre restaurant in operation early in 1979.

Westminster Council has been les helpful over Ed Berman's plans for a new 300 seat West End theatre, having quashed his idea for a conversion of the Rialto Cinema in Coventry Street into a theatre and shops complex. But within the City *fingers are crossed for the* Touche Remnant - Mermaid Theatre project now being considered by the Environment Secretary.

The investment management group's plans for a 40,000 square feet head office over an expanded and modernised Mermaid Theatre at Puddle Dock, by the Thames, have been passed by the City Corporation, the site freeholder. The Minister now has to agree to the form of 999 year leases proposed for parts of this complex site, leases that form the kingpin of a deal giving Touche its offices, and Sir Bernard Miles a modernised theatre with an auditorium extended to 750 seats with larger restaurant facilities.

●

SINGER and Friedlander European Property Trust has topped up its continental investments to £6m. with a £1.6m. office purchase in Frankfurt. The fund, advised by Allsop and Co. has bought the 2,500 square metre Siemens block in Frankfurt city centre on an initial yield of 6.25 per cent. based on an historic rent of DM16 a square metre a month. The nine-year-old block was introduced by Jones Lang Wootton's Frankfurt office.

●

PROPERTY Security Investment Trust turns out to be the successful bidder at Farr Bedford's recent Uxbridge auction on behalf of the Receiver for the Metropolitan Police. The Police sold their surplus freehold shop, showroom and office space at 122-123, High Street, Uxbridge, Middlesex, for £114,000. PSIT gets a 51-feet High Street frontage on the 3,800-square-feet vacant shop and showroom space, and *just* 1,855 square feet of rented offices.

●

'INNER city renewal' has become a type of generic phrase to cover anything involved in the now fashionable business of reversing urban decay. Even British Steel seems to have caught the word fever. It is to rename the former Grimesthorpe Steel Works in Sheffield the "Inner City Industrial Centre" *and, as part of its "employment* creation policy" British Steel, which closed the works last year, is redeveloping the 16.8-acre site at Carlisle Street, Sheffield, as an industrial estate.

Elliott Fifield and Company of Manchester as BSC's letting agent, expect rents of between £1.25 and £1.50 a sq. foot for new industrial units of from 5,000 to 10,000 sq. foot and rather less for 50,000 sq. foot and upward *units in the existing 350,000 sq.* foot works buildings.

●

THE first phase of Wood Green Shopping City, the 500,000 sq. foot Haringey centre funded by Electricity Supply Nominees and the council, was "topped out" on schedule this week. The £16.6m. shopping scheme, project managed by Richard Ellis, has a 27,000 sq. foot W. H. Smith's store, a 15,000 sq. foot store and *10 standard shop units in the* first phase. Standard units are offered at £18,000 a year with an up to 30 per cent. rental discount until the scheme is completed.

House of Fraser's 75,000 sq. foot store will act as a focus for the completed centre and Ellis will have one 65,000 sq. foot and one 30,000 sq. foot multiple unit to fill as well as 79 other standard sized shops. The Metropolitan Housing Trust is putting 20? flats on top of the centre at a cost of £3½m., and the whole scheme should be completed early in 1981.

JB

The Management Page

EDITED BY CHRISTOPHER LORENZ

New boom looms in executive training

THE ALREADY booming management training industry looks set fair for even further expansion, according to figures in a detailed survey conducted by the Industrial Relations Training Resource Centre. Of the 600 organisations it surveyed, employing over 3m. people, four out of five said they intended to extend management training in industrial relations.

Not surprisingly, the most frequently mentioned areas for stepping up management training were employee legislation and health and safety. The survey sought to find out the training neds of five main employment groups, directors, managerss upervisors, personnel and industrial relations specialists, and trainers.

For directors, after employee legislation the area considered to be most important for increased training was "preparing for change in management style," followed by health and safety and company industrial relations policy. High on the list for managers was training in handling grievances, and recruitment and dismissal procedures.

Most of the organisations planning to extend their training reported that they would require external help. This particularly applied to managers, where 84 per cent. of the companies said they would seek external help, compared with 76 per cent. for specialists, 70 per cent. for supervisors and trainers, and a mere 55 per cent. with directors.

According to the survey, the four most common forms of external help sought were: visiting speakers or specialists, materials specific to the individual company or industry, external courses, and help with the design of in-company courses or seminars.

The centre was set up last year to improve management training in industrial relations under the Manpower Services Commission umbrella, following a recommendation by the NEDC Committee on Management Education, Training and Development.

The survey is available from IRTRC, Ashridge Management College, Berkhamsted, Hertfordshire HP4 1NS, price £1.

Business courses

Zero Base Budgeting, Gloucester Hotel, London. May 8-9. Fee: $500. Details from AMR International, 6-10 Frederick Close, Stanhope Place, London W2.

Group and Personal Effectiveness, University of Bradford. May 14-19. Fee: £190. Details from the Programme Secretary, The Management Centre, Heaton Mount, Keighley Road, Bradford.

Organisation and Management in R and D, Brunel University, Middlesex. May 16-19. Fee: £180. Details from the Secretary, Management Programme, Brunel University, Uxbridge, Middlesex.

4th European Maintenance Congress, Cafe Royal, London. May 9-11. Fee: £125 plus VAT. Details from the Conference Manager (EFNMS), Conference Communication, Monks Hill, Tilford, Farnham, Surrey.

Managerial Finance for Purchasing Executives, Heathrow Hotel, London Airport. May 18-19. Fee: £95 plus VAT. Details from Purchasing Economics, Pel House, 35 Station Square, Petts Wood, Kent.

Recruitment Advertising and Communications, Whites Hotel, London. May 31-June 1. Details from the Course Administrator, Institute of Personnel Management, Central House, Upper Woburn Place, London WC1.

Why the Maltings wants you to back Britten's students

BY ADRIENNE GLEESON

THIS WEEK'S launch in the City of London of the Benjamin Britten Memorial Appeal marks a new stage in a remarkable success story: the development of a group of half-derelict East Anglian farm buildings into an internationally recognised concert centre and *school for promising musicians*.

The success of Aldeburgh's music-making endeavours can be measured in tangible terms. There is, for a start, Snape Maltings itself; there is the school taking shape in its associated buildings—for whose further conversion the appeal is being launched; there is the *growing band of young musicians* emerging from its short and intensive courses; and there is the steady increase in the numbers who make the pilgrimage to this remote part of the Suffolk coastline, to hear music which ranges from Monteverdi to the works of living composers. All of which is a tribute to the genius of the late Lord Britten and of Peter Pears—and to the very considerable *managerial and* money-raising skills which have underpinned their vision.

Curiosity

Aldeburgh itself is something of a curiosity in artistic terms, in that there is no permanent Aldeburgh orchestra. The nearest thing to it is the Aldeburgh Youth Training Orchestra, the members of which come together from music schools throughout the country, for three or four weeks in the year, the composition therefore changes as they become established in their adult careers. This apart, all the performances are bought in, with the performers, for the occasion. There is *nothing curious about that*, of course: almost every festival management does the same. But Aldeburgh, *unlike its festive* counterparts in Edinburgh, Bath or the Three Choirs country, makes music most of the way through the year.

Aldeburgh is, essentially, its festival committee—which includes a handful of dazzling artistic directors, whose function is to determine the tone and balance of the programmes; its school, established five years ago and housed ever since in haphazard fashion in the green-room and the wardrobe at the Maltings, and in odd attics and cellars through the town; and —holding it all together—the Aldeburgh Festival-Snape Maltings Foundation Ltd, chaired by Sir Eugene Melville, KCMG, and functioning from The Suffolk, a former pub on the High Street.

However cumbersome its title, the Aldeburgh Festival-Snape Maltings Foundation is run economically enough. Its guiding spirit is its general manager, ex-*Orient Line* director Bill Servaes, who with a handful of administrative assistants provides *the organisation behind* the functioning of this curious compendium of talents. It is they who arrange the performances, pay the performers, hire the tutors, see to the admissions, watch over the box office and, says Mr. Servaes half seriously, sit in for the St. John's Ambulance Brigade which the Foundation cannot yet afford to hire. It is they, above all, who see to it that the money is there to ensure that what Aldeburgh has to offer, the world will want to buy.

In this, as in all else, Aldeburgh is quite remarkably successful. The task is not quite *as difficult in this Suffolk town* as it might be anywhere else because there are old and valued *friends* of Aldeburgh who will, so rumour has it, perform there for little more than pocket money. Nevertheless, the music-making activities at Aldeburgh last year — excluding the Benson and Hedges special season in October — required a budget of £200,000 and that is not to be raised by whistling to the wind.

Where did it come from? Some £78,000 came by way of the box office. The Festival itself—two weeks in June, into which 42 performances were squeezed—attracted an 80 per cent. capacity audience and produced £67,000 in seat sales. The remainder came from the 40-odd performances through the rest of the year, from the Children's Concert at Easter to the string season in October. Associated revenue — broadcasting fees, catering and the bar, programme *sales* — brought in maybe £20,000 more.

Then there was £21,000 in all —*including* some £7,000 *in* refunded income tax—from

Terry Kirk

Sir Peter Pears (left), Marion Thorpe and Mstislav Rostropovich—all three are helping to promote the appeal for money to add practice and teaching accommodation to the Britten-Pears music school at Snape Maltings.

people who have covenanted to give regular sums, some £3,000 *from the East Anglian Fund* Raising Committee — whose activities included the running *of an Opportunity Shop—selling* second-hand clothes; almost as much from American friends; *and sundry donations including* a contribution from the fund-raising Festival Association's own lottery.

Grants and guarantees provided another £70,000. Of that, around £35,000 came from educational trusts and company sponsorships, while the Arts Council, the Eastern Arts Association, and the local authorities provided the rest. In effect then, in this, the great age of State patronage, the Aldeburgh Festival-Snape Maltings Association is running an internationally recognised centre for the musical arts with a budget to *which public bodies contribute* only just over 15 per cent., far less than for many other *musical endeavours*.

Not that the Aldeburgh Festival-Snape Maltings Foundation *itself undervalues* the assistance it gets from the State. "No more than any other organisation in the arts," says its secretary John Trew, "can we afford to do without State help. We don't say that we wouldn't run at a loss without it. What we do say is that at least we know where the money's going."

Unlike some other *musical* enterprises, Aldeburgh has never overspent its budget. *Given* that the function of the foundation is to provide music rather than to make money, however, that is not necessarily something to be proud of. It could denote an absence of adventurous spirit: a willingness to play for the crowd the sort of music that the crowd will pay for.

Aldeburgh is not unaware of the pressures—populist or commercial, depending upon your *point of view*. "*We are*," *says* Mr. Servaes, "hoping to introduce concerts outside the festival season in which we'll play some of the more popular works." But he would vigorously deny that Aldeburgh has made any surrender of its artistic integrity: and indeed, since there are works of contemporary composers in the programmes, it is probably a question that does not really need to be posed.

But although no year's programmes have been financially disastrous, this cannot be said about some of *Aldeburgh's* individual concerts. That the foundation has nevertheless *kept its head above the financial* deeps is largely thanks to its policy of seeking guarantees. *Benson and Hedges apart*—the company pays the foundation £10,000 to run its four day October festival—it is to this that most of the commercial and industrial help secured by Aldeburgh has been devoted. Companies are, says Mr. Servaes, quite cheerful about the prospect of giving financial guarantees for performances—*witness the £10,000* donation from Northern Star/Europa Insurance, which was *announced this week*

The genesis of this affair, as happens often, was the managing director's love of music: the benefits to the company—insofar as they can be tangible—will lie in part in the glory that accompanies the students' centenary performance of Eugene Onegin which, under the direction of *Rostropovich*, is scheduled for 1979: that and possibly some new insurance business from students. The company will also be guaranteeing bursaries to students at the Britten Pears School. "We see this," says Northern Star's managing director, John West, "as a continuing relationship."

The Foundation's real problem at present is that, however much it needs financial backing *for performances*, it is even more in need of some for its building programme: hence the memorial appeal. The object is to raise the £480,000 needed to convert the buildings adjacent to the Maltings into practice and recital rooms, and social facilities for students. The school is designed to provide *exceptionally gifted* musicians with a crash course to get them to a professional *standard after the end of their* formal studies. The building work has begun already—on the strength of a bridging loan from Barclays and the £235,000 already collected or promised from such diverse sources as the Arts Council and the executors of the Britten estate —and it should be completed by this autumn.

Problem

The *memorial* appeal, which is largely aimed at companies, has something of a problem, as Mr. Servaes recognises, in *that industrial and commercial* companies do not as a general rule like putting money into *bricks and mortar: it presages* the possibility of future calls upon their bounty. In the case *of the Britten-Pears School*, however, some of the money for its running will come from the Benjamin Britten Estate, and some—probably about half —will come from student bursaries. There is, Mr. Servaes finds, much less difficulty in getting companies to guarantee bursaries, even though the benefits are less tangible compared with the solid evidence of benevolence provided by buildings.

Attaching more importance to better design

THE ROYAL *Society of Arts* deserves at least six out of ten for its latest design bursaries to *students*, announced earlier this week.

For the first time, some of the winners will spend several months attached to the industrial organisations which sponsored their awards, including Olivetti, Philips Industries and Bally Shoes. And—another plus point — the RSA says the winners "will see different aspects of the design processes, from original idea to production, marketing and retailing, and including overall design management."

In other words, the RSA considers that good design involves far more than just good styling.

Or does it? The positive *impression created by its Press* release is spoiled by the introduction to the competition report. The bursaries are intended to help young British designers who work in, or intend to enter, "branches of industry in which design is of primary importance," it says.

In other words, it would seem, there are some branches of industry where design is not *of primary importance*.

Such a comment strongly suggests an equation of design with styling and little else— certainly not the wide-ranging criteria (including reliability, ease of maintenance, and probable economic viability) which were applied to the latest Design Council awards (see this page last Friday).

That said, the RSA has undoubtedly done future product design a service by broadening the scope of its awards this year. Not only has it introduced "industry attachments" as part of the new "special awards," but it *has also started to bring* more engineering categories into a competition which has tradi*tionally focused mainly on such* items as carpets, fashion fabrics, furniture, graphics and jewellery.

Engineering

In the latest competition, what might be called the engineering categories were enlarged from two to three, by the addition of audio visual domestic equipment to hospital and office products. If the RSA is successful in its search for extra engineering *sponsors, there will* be more of this type of category next year. Five years from now, at *any rate*, there is likely to be a far higher content of engineering design in the bursary awards, a Society official said this week.

The number of entrants for both the office equipment and audio visual equipment categories was decidedly small in comparison with the leaders: 13 and 20 respectively, compared with 254 for fashion (clothing and fabrics), or 188 for furnishing textiles. This may have as much to do with the scope of design education as the reputa*tion of the RSA or its awards*. More surprising was the relative lack of interest in wallcoverings *and silverware (29 and 30 candidates respectively).*

Christopher Lorenz

LOMBARD

Keeping calm on aircraft

BY GEOFFREY OWEN

THE STAGE is being prepared for another of those politico-industrial dramas of which we have had more than our fair share in recent years; the rescue of Chrysler and the Drax "B" controversy are two examples. This time there is an added international spice. For the choice of partner for the next generation of civil airliners does not only concern the Departments of Trade and Industry: the Foreign Office is keenly interested in the outcome. Will the British join forces with France and Germany in countering *le defi Americain*, or do they prefer the status of an American satellite? This is the question that is no doubt being asked in Brussels and other European capitals. Meanwhile the siren voice of Boeing in Seattle is beckoning British Aerospace to a new and glorious future as the partner of the most powerful aircraft manufacturer in the world.

Public money

There is plenty of material here to keep newspaper readers enthralled, or least interested, for a good many weeks. But one wonders whether the drama is out of proportion to the real importance of the issue. The importance of the aircraft industry to the economy tends to be exaggerated. There are many who argue that too much public money has been ploughed into the industry since the war. Neither West Germany nor Japan appear to have suffered from not having a large aircraft industry to support. The technological spin-off from aircraft manufacture to other brances of engineering is probably not very significant. Why shouldn't the strategic decisions on civil aircraft development be left to the commercial judgment of those directly involved, instead of becoming the subject of an agonising public debate?

Unfortunately the British Government has always been deeply involved in the affairs of the aircraft industry, partly for reasons of national prestige, partly because of defence. This involvement has been increased by the quite unnecessary act of nationalisation, which has brought with it all the usual complications—not least the feeling on the part of the trade unions that they should wield greater influence over commercial policy.

On top of that, the aircraft industry has been one of the sectors seen by the Brussels Commission as ideally suited for an EEC solution, involving restructuring and collaboration on a European scale; with Governments controlling part of the market (through State-owned airlines) and most of the manufacturers. It ought to be possible—given the political will — to organise an industry capable of standing up to the Americans. In most of the other high-technology sectors — nuclear power, computers, integrated circuits— attempts to create European groupings have for one reason or another come to nothing. Aircraft is about the only one left where there is still a chance of doing something.

Yet the implication that the British Government should be under some sort of moral obligation to go European in its civil airliner policy seems unreasonable. Our prospective partners, the French, have always approached decisions of this kind on the basis of national self-interest, which normally (except in the case of Concorde) corresponds to commercial self-interest. They have had no compunction in taking American partners when it suits them to do so, as they have done in computers (Honeywell), aero-engines (General Electric) and nuclear reactors (Westinghouse).

They might well have done so in civil airliners had they been able to negotiate a satisfactory deal with one of the American companies: the fact that they failed to do so makes them all the more eager to have the British in as partners. All this is entirely logical from the French point of view; but there is nothing noticeably European about it.

Co-operation

So if the British Government, for sound commercial reasons, decides to accept the Boeing offer, it will not be the end of the world: it should not be regarded as a dastardly stab in the backs of our EEC partners. It would be nice to think that the Europeans, acting together, could break the American stranglehold on the world civil airliner market and perhaps they can. (If there were an international Monopolies Commission, the aircraft industry would be an obvious candidate for reference). But that is a judgement which has to be based on the facts, not on wishful thinking. It would be nice for European unity if the co-operation which already exists in the military field could be extended to civil projects. But the decision which the British Government has to take is commercial, not political. Let us not get too worked up about the political angle: it is the commercial one which matters.

AROUND BRITAIN

Running fast to stand still

CORBY

BY JOHN GRIFFITHS

THE BUS into Glasgow goes daily; the Celtic and Rangers supporters' clubs are thriving; there is a yearly Highland gathering and the town has played host to the world pipe championships.

When the population goes to work each morning, nearly half disappears through the gates of the giant British Steel Corporation plant which dominates the skyline. And the rate of violent crime is the highest in the county.

Incongruously, the setting is not Clydeside, but Corby—set in the rolling Northamptonshire landscape and as a typical of the county's older market towns as it is of the communities a few miles off with which it shares New Town or Expanding status.

It is a town trying hard to come to grips with an unemployment problem which, though recent, lies at the root of Corby's social problems, and which has its own origins in the unusual manner of the town's creation.

In the mid 1930s, Corby was a village of 1,500, dozing gently above large reserves of ironstone. The then-private Scottish steel company Stewarts and Lloyds moved in, setting up what was to become, by 1968, part of BSC and one of the largest integrated iron, steel and tube works in Europe. The company brought with it a Scottish labour force and built 3,000 homes to house it.

With further steel plant expansion possible at the end of the 40s, but with Stewarts and Lloyds unable to provide the necessary housing, the Government decided Corby was best developed under the New Town Act.

Expansion went ahead, and still the Scots flowed in, so that to-day Corby is an anomaly in more ways than one. Of its 55,000 population, nearly 70 per cent. are Scots or of immediate Scottish descent, and Corby is known as Little Scotland. And while other New Towns were developed from scratch, with industry following housing, Corby is a product of the steel works and up to the late 60s 90 per cent. of jobs were provided by it. To-day the industry employs 12,000 out of a total workforce of 27,000. While traditionally the steel works has been Corby's strength, it is now proving one of its biggest potential weaknesses.

Further expansion of the BSC works was ruled out in the late 60s, firing a warning shot across the bows of the Development Corporation that the need to attract new industries was growing more urgent.

The direct hit came last year when, with the industry's problems worsening rapidly, British Steel announced that 1,200 jobs must go. These are now the subject of negotiations with the unions, and will probably be accounted for by natural wastage, early retirement and voluntary redundancy. But coming on top of the shutdown of British Sealed Beams, which employed 1,000 at its peak and which closed in 1976, the news was a sharp blow.

Unemployment is now running at 8.7 per cent., nearly double the rate for the county as a whole. The jobless are mainly the young and the unskilled, in a town where the young and the unskilled predominate. For steel-making is not a process with inherent skills, and a third of Corby's people are under 16, with 1,200 school-leavers joining the jobs market each year.

There is, however, a still darker cloud on the far horizon. With Corby accounting for something in the region of £30m. of BSC's expected £500m. losses this year, the fear in the town is that the steel strip works might one day be closed down.

This could result in the loss of 4,000 or more jobs. Such fears serve to strengthen the resolve of Corby officials, as leader of the Tory-controlled council Fred Harris puts it, "never again to hold all our eggs in the one basket."

For all these reasons, Corby is pushing hard, both for new industries and to remove the principal objection industry has to coming: the lack of a good motorway link between the M1, 20 miles to the west, and the A1, a similar distance to the east. Such a link has been approved in principle, but the Ministry envisages no start before the early 80s and Corby officials insist this isn't good enough.

So BSC, the Corby Development Corporation and district and county officials have formed Corby Joint Employment Committee, which is to take the town's case to the EEC in the hopes of obtaining regional fund aid as a deprived steel town. It is also awaiting the outcome of its second application to Whitehall for Assisted status—a prospect, however, for which it does not hold out much hope.

But it is on the Development Corporation, now in its 28th year and due to hand over its functions to the embryo New Towns Commission in 1980, that the burden of developing Corby's industrial base has naturally fallen. Until 1968, its main task was to provide shops and housing for steelworkers, and jobs for their wives and the upcoming second generation. Then came the freeze on BSC expansion. "Thus we found ourselves in the industrial market in the ordinary sense something like 17 years after the other New Towns," observes Ken Jenkin, who heads the Corporation team.

In the Corporation's last two years, Jenkin is concerned to draw in two forms of industry: ideally, two firms each employing 2,500, in heavier "perhaps even dirty" industry, to mop up the pool of unskilled unemployed; the other, higher-technology companies to absorb school-leavers and act as generators of skills.

The first remains a hope, though a lead smelter might come, employing up to 400. Success in the second is more tangible. Jenkin estimates serious inquiries to be about 14 a month, and current talks include ones with a large boat-builders which might employ 300, and an Anglo-Italian plastics group which could provide 300 more.

A variety of clothing firms and other light industry has already moved into the town's two industrial estates, on which, thanks to a comprehensive advance factory-building programme, there is room for plenty more. There is also an unoccupied stock of about 1,000 houses.

Corby's pluses, indeed, go a long way towards explaining the relative success it has had in a peculiarly competitive environment. For it has had to fight for its industry against a cluster of surrounding new or expanded towns: Milton Keynes, Wellingborough, Peterborough and Northampton, all with much lower unemployment rates, but all just that bit too far away to act as a sponge for the jobless of Corby.

For its size, Corby is exceptionally well endowed with facilities. There is an excellent theatre, concert hall and sports facilities; its shopping centre is well-planned, traffic-free but with parking close alongside; there is not much of the dehumanised air that has marked some New Town centre planning, and the effect is enhanced by three large parks inside the central core.

Envisaged at first as having a population potential of 100,000 or more, Corby will not expand beyond the natural growth of its existing population. There is an admitted social imbalance, partly arising out of Corby's origins, partly created by management's tendency to live in the picturesque villages beyond the town's outskirts. Nearly 80 per cent. of Corby's housing is publicly owned, but town officials are working hard both to encourage private builders and to change a peculiarly Scottish "rent not buy" philosophy.

The town does bear the marks of scattered vandalism, perhaps no worse than other New Towns, but sufficient for a study group to be set up. Much of the vandalism, like the high crime rate, officials hope will disappear as and when the unemployment problem disappears.

No-one, however, is under any illusions that it will go overnight. The first really major step forward will be the new road link. Until that time, Ken Jenkin ruefully admits, "we're going to have to run like blazes just to stand still."

Hat trick in offing for Hagalett

RACING

BY DOMINIC WIGAN

THERE WAS a great deal to like about the way in which Hagalett buckled down to his work when disposing of some useful opponents at Newbury a fortnight ago and I am hopeful that the Nick Vigors three-year-old can follow up in to-day's Athlone Handicap at Sandown.

Here, Hagalett, the comfortable winner of Nottingham's County Handicap a week or two before his success in the Berkshire course's Chievely Handicap, has been set to concede 9 lbs and 13 lbs respectively to Sandfleet and Redding Ridge.

Although his task is clearly a tougher one than those encountered in the two outings mentioned above, Hagalett is a smart and possibly still underrated sprinter and I shall be disappointed if the hat trick is not forthcoming.

Redding Ridge, one of three Duncan Keith representatives, seems well treated with 8 stone 3 lbs. It is worth noting that Lester Piggott must be of the same view for, he has decided to take the mount in preference to several further up the handicap.

That highly informative reference book, Trainers Record*, is with us again. The Flat-racing edition 1978, although far from moderately priced, represents much better value, to my mind, than many of the glossier "lightweight" publications purporting to help the punter. It is particularly useful when analysing course by course information with an eye to trainers who should not be overlooked at certain tracks.

SANDOWN
2.00—Desdemona**
2.30—Prince Gabriel
3.05—Moonlight Rag
3.40—Amerian
4.10—Western Gem
4.45—Hagalett***

THIRSK
2.45—Rate
3.45—Thorganby Tina
4.15—Priestcroft Boy
4.45—Buchanan
5.15—The Sandford*

* £6 post free from Trainers Record, Melplash, Bridport, Dorset DT6 3UH.

Skateboard closure

SCOTLAND'S FIRST skateboard park closed after four months because of lack of support.

The centre was Britain's first indoor skateboard park

ENTERTAINMENT GUIDE

CC—These theatres accept certain credit cards by telephone or at the box office.

OPERA & BALLET

TV/Radio

BBC 1

† Indicates programme in black and white.

6.40-7.55 a.m. Open University. 9.38 For Schools, Colleges. 10.45 You and Me. 11.05 For Schools, Colleges. 12.45 p.m. News. 1.00 Pebble Mill. 1.45 How Do You Do? 2.05 For Schools, Colleges. 3.20 Ar Glawr. 3.53 Regional News for England (except London). 3.55 Play School (as BBC-2 11.00 a.m.). 4.20 Scooby Doo. 4.40 Potter's Picture Palace. 5.05 Horses Galore. 5.35 Magic Roundabout.
5.40 News.
5.55 Nationwide (London and South-East only).
6.20 Nationwide.
6.45 Sportswide.
7.00 Bugs Bunny.
7.10 The Wonderful World of Disney.
8.00 It's A Knockout.
9.00 News.
9.25 "Petrocelli: Night Games" (television feature film).
10.35 Tonight (London and South East only).
11.05 Regional News.
11.06 The Late Film: "The Sandpiper," starring Elizabeth Taylor and Richard Burton.

All Regions as BBC-1 except at the following times:—

Wales—1.45-2.00 p.m. Tredwt. 5.55-6.20 Wales Today. 7.00 Heddiw. 7.25 Cadwaladr. 7.30-8.00 Ar Glawr. 10.35 Kane on Friday. 11.25 News for Wales. 11.26-1.18 a.m. The Late Film: "The Sandpiper."

Scotland—5.55-6.15 p.m. Reporting Scotland. 6.15 The Scottish Trades Union Congress. 6.30 Join BBC-1 London for Nationwide. 10.35 Breathing Space. 11.05-11.06 News for Scotland.

Northern Ireland — 10.23-10.38 a.m. For Schools. 3.53-3.55 Northern Ireland News. 5.55-6.20 Scene Around Six. 10.35 Jack High: Golden Crust Invitation Pairs Bowls Championship. 11.05-11.06 News for Northern Ireland.

England—5.55-6.20 p.m. Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth). 10.35-11.05 East (Norwich) It's Your Image; Midlands (Birmingham) Flouride—Friend or Foe? North (Leeds) Lifelines; North East (Newcastle) The Invaders; North West (Manchester) Sense of Place South (Southampton) Year of the Trees; South West (Plymouth) Peninsula: W(h)ither Devon? West (Bristol) The History Makers.

BBC 2

6.40-7.55 a.m. Open University.
11.00 Play School.
4.55 Open University.
7.00 News on 2 Headlines.
7.05 That's The Way The Money Goes.
7.30 Newsday.
8.05 Heads and Tales.
8.20 The Money Programme: Has the Tide Turned? Professor Milton Friedman's views on the British economy.
9.00 Ripping Yarns.
9.35 A Tale of Three Cities.
10.35 Portrait.
11.00 Late News on 2.
11.10 Snooker: Embassy World Professional Championship.
12.00-12.10 a.m. Closedown: John Rye reads "The Orchid on the Rock," by Peter Porter.

LONDON

9.30 Schools Programmes. 12.00 The Learning Tree. 12.10 p.m. Rainbow. 12.30 Andy's Party. 1.00 News, plus FT index. 1.20 Help! 1.30 Beryl's Lot. 2.00 Money-Go-Round. 2.25 Racing from Sandown. 4.00 Beany and Cecil Cartoons. 4.15 Snacker. 4.45 Magpie. 5.15 Emmerdale Farm.
5.45 News.
6.00 Thames At 6.
6.35 Crossroads.
7.00 Winner Takes All.
7.30 The Many Wives of Patrick.
8.00 Hawaii Five-O.
9.00 People Like Us.
10.00 News.
10.30 Police 5.
10.40 Russell Harty.
11.40 How To Stay Alive.
12.10 a.m. George Hamilton IV.
12.40 Close—Robert Rietti reads a prayer for the Passover.

All IBA Regions as London except at the following times:—

ANGLIA

1.25 p.m. Anglia News. 4.00 Cartoon Time. 5.15 Chatterbox. 6.00 About Anglia. 8.00 Danger in Paradise. 10.30 Probe. 11.00 Friday Late Film; "A Rage To Live." 12.45 a.m. Men Who Matter.

ATV

1.20 p.m. ATV Newsdesk. 1.30 Paint Along With Nancy. 3.50 The Sullivans. 5.15 The Squirrels. 6.00 ATV Today. 7.30 Rafferty. 8.30 Sale of the Century. 10.30 The Best Seller Movie: "Where Love Has Gone."

BORDER

†1.20 p.m. Border News. 4.00 Cartoon Time. 5.15 The Partridge Family. 6.00 Lookaround Friday. 8.00 Quincy. 10.30 Borderers. 11.00 Late Night Film: "Sitting Target." †12.40 a.m. Border News Summary.

HTV

Report Wales Headlines. 1.30 Ten Years On—In The West Country. 2.00 Women Only. 4.00 Cartoontime. 5.15 The Undersea Adventures of Captain Nemo. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Emmerdale Farm. 8.00 Quincy. 10.35 David Niven's World. 11.05 The Late Film: "Terror On The Beach."

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 1.30-2.00 Ten Years On—In Wales. 4.15-4.45 Camau Cantamil. 6.00-6.15 Y Dydd. 10.35-11.05 Outlook.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

1.25 p.m. News and road report. 1.30 Out of Town. 4.00 Cartoon Time. 5.15 Teatime Tales. 5.20 Crossroads. 6.00 Scotland Today. 6.30 The Better Sex. 8.00 Charlie's Angels. 10.30 Ways and Means. 11.00 Late Call. 11.05 Friday Cinema: "They Might Be Giants."

SOUTHERN

1.20 p.m. Southern News. 1.30 The Electric Theatre Show. 2.00 Women Only. 5.15 Weekend. 5.20 Crossroads. 6.00 Day by Day (Channels 6, 11, 27, 42, 58 and 60). 6.00 Scene South East (Channels 10, 43, 64 and 66 only). 6.30 The Challenge of the Sexes. 8.00 Emergency. 10.30 Opinions Unlimited. 11.00 An Audience with Jasper Carrott. 11.30 Southern News Extra. 11.40 The Late, Late Show: "The Sin of Father Mouret."

TYNE TEES

9.25 a.m. The Good Word followed by North East News Headlines. 1.20 North East News and Lookaround. 1.30 Out of Town. 5.15 Mr. and Mrs. 6.00 Northern Life. 7.30 Oh No, It's Selwyn Froggitt. 8.00 Emergency. 10.30 Sportstime. †11.05 Friday Night Film: "Walk A Crooked Path."

RADIO 1 247m

(S) Stereophonic broadcast

5.00 a.m. As Radio 2. 7.02 Noel Edmonds. 9.00 Simon Bates. 11.31 Paul Burnett including 12.30 p.m. Newsbeat. 2.00 Tony Blackburn. 4.31 Kid Jensen including 5.30 Newsbeat. 7.30 Stan Reynolds and his Orchestra (S) (joins Radio 2). 10.02 John Peel (S). 12.00-2.02 a.m. As Radio 2.

RADIO 2 1,500m and VHF

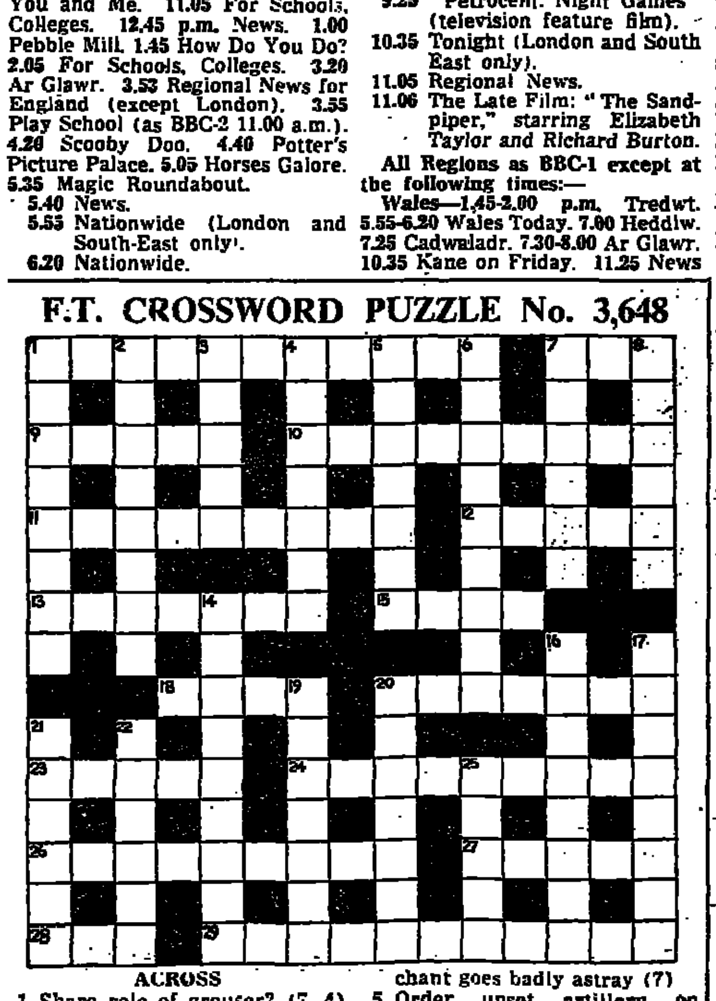
5.00 a.m. News Summary. 5.02 Ray Moore with The Early Show (S) including 6.15 Pause for Thought. 7.32 Terry Wogan (S) including 8.27 Racing Bulletin and 8.45 Pause for Thought. 10.02 Jimmy Young (S). 12.15 p.m. Waggoners' Walk. 12.30 Pete Murray's Open House (S) including 1.45 Sports Desk. 2.30 David Hamilton (S) including 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 John Dunn (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Stan Reynolds and his Orchestra in Band Parade (S). 8.02 John Fox conducts the BBC Radio Orchestra (S). 8.45 Friday Night is Music Night (S). 9.55 Sports Desk. 10.02 Free Spin. 10.30 Let's Go Latin. 11.02 Brian Matthew introduces Round Midnight, including 12.00 News. 2.00-2.02 a.m. News Summary.

RADIO 3 464m, Stereo & VHF

†Medium Wave only

†6.55 a.m. Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer Ravel (S). 9.35 BBC Northern Ireland Orchestra (S). 10.20 Young

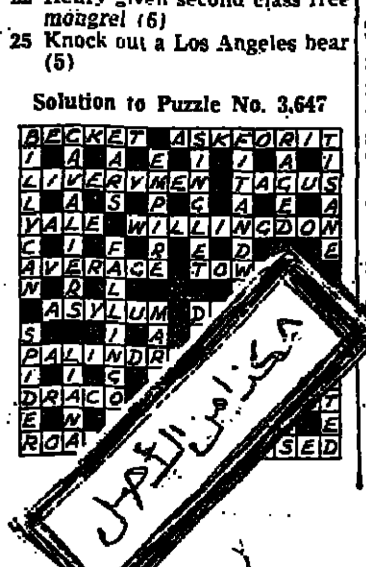
F.T. CROSSWORD PUZZLE No. 3,648



ACROSS
1 Share role of grouser? (7, 4)
7 Pet switch (3)
9 Bird appears on Page 1 before mine (5)
10 Standard of crime squad's credit (9)
11 Bee in one's bonnet concerning time allotted for outside broadcast (9)
12 Tired of going comprehensive (3, 2)
13 Caught prophet taking early boat (7)
15 Land in river enclosed by Henley otherwise (4)
18 Fish caught by eccentric aunt (4)
20 Glass-fronted promise of better days ahead (3, 4)
23 Experiment on way to meeting (5)
24 Game involving getting down from 1 to 12 (5, 4)
26 Somewhere to live in Herts in store (9)
27 Article taken by way of Pole relating to birds (5)
28 Failure returns unchanged (3)
29 Correct what player at 24 hopes to do (3, 8)

DOWN
1 Gear for speeding Nick finds first-rate (3-5)
2 Bringing film to light can be a revelation (8)
3 Goddesses get what's coming to them (5)
4 Message from fodder merchant goes badly astray (7)
5 Order upset artillery on practice ground (7)
6 Throw a fight and have restless night (4, 5)
7 Cold as Canada for a start and mountainous (6)
8 Attractive aspect of theft (6)
14 Wooing the royal yacht? (9)
16 Gain once obtainable from travelling by paddle boat (8)
17 There could be a catch in making meaning clear (5, 3)
19 Story comes into current reckoning (7)
20 Like this round bed to appear in shortest time (7)
21 Put away what good man had to pay (6)
22 Henry given second class free mongrel (6)
25 Knock out a Los Angeles bear (5)

Solution to Puzzle No. 3,647



Cinema

Individualist in retrospect

by NIGEL ANDREWS

Brighton Film Festival
Improperly Dressed (AA) — Minema
Sweeney Two (AA) — ABC Shaftesbury Avenue

For once I can give some satisfaction to readers who complain that London film critics give scant attention to cinema outside the capital. The place to be for ten days starting on April 28 is Brighton. The Brighton Film Theatre is running three concurrent movie seasons, whose combined excellence is well worth the train fare south and the price of a modest hotel. There is a 14-film round-up of science-fiction films, there is a Jacques Rivette retrospective, and there is an anthology of the work of British film-maker Michael Powell.

The Rivette programme is the official star event, but the Powell programme is my personal pick of the festival. No one with ready access to a TV set can have missed seeing one or more of Powell's films over the years: *The Thief of Baghdad* or *The Red Shoes* or *Black Narcissus* or *Tales of Hoffman*. But their regular exposure on the small screen is no substitute for seeing them on the large. Powell is the British cinema's great individualist. You cannot site his flamboyant and prodigally inventive films in any recognisable British tradition. His work is the wild card in a national cinema otherwise typified by the sobriety of the documentary and "social realism" schools, or by the diffident quaintness of Ealing comedy and its heritage.

There is nothing diffident about Powell. His films explode around one's ears and eyes. They are also more "serious" than their gaudy, exuberant surfaces often suggest. Go and see *I Know Where I'm Going*, for example, the first film in the Brighton retrospective, and discover for yourself a lost masterpiece. What seems at first a crazy tale of romance on a Scottish island slowly emerges as one of the most original accounts of sexual love the British cinema has produced.

Another crazy tale of love is Jacques Rivette's *L'Amour Fou*, showing at Brighton on April 29. This is one of the two 4½-hour *magna opera* (the other was *Out One Spectre*) made by the French director between his better-known—and shorter—*La Religieuse* (1966) and *Celine and Julie Go Boating* (1974). Where *Out One Spectre* seemed to this critic impenetrable, *L'Amour Fou* is a work of indisputable brilliance: an eloquent and thorough vindication of the director's controversial fondness for improvisation and "open-ended" filming methods. Once one has hurdled the first hour, the film gets easier to watch, indeed positively compulsive, as time goes on.

The story, which began according to Rivette with a mere three-sentence plot sketch, is very simple. A theatre director (Jean-Pierre Kalfon) is rehearsing Racine's *Andromaque* when his wife (Bulle Ogier) walks out of a leading role. Over ensuing days we watch what happens to each partner. He continues to spend his days at rebearsals, searching for a more truthful and unhistrionic approach to Racine's play, and to spend his nights either with his wife or with a hospitable girl friend. She spends her days in their lonely flat, surrounded by the surrogate companionship of tape-recorders or dolls or mirrors, while her mental state slowly slides from depression to schizophrenia. The crisis in their relationship comes to a head—or rather is briefly exploded and relieved—in a 48-hour "week-end" in which the two smash up their apartment, tear up their clothes and conduct a kind of orgy of emotional catharsis. Thereafter he drifts back to the theatre, she to her depression and all ends . . . well, you must discover for yourselves.

It is impossible to convey from that summary that the film is funny as well as harrowing: not least when Mlle. Ogier has the screen to herself in a performance as comically, poignantly deadpan as any since Buster Keaton. Furthermore, the film uses its marathon length to mitigate its tragic intensity rather than to elongate it, allowing us other perspectives on the story than the merely personal. There are virtually three different media of communication at work here: the theatre (long extracts from Racine's play are acted out), 35 mm. film (the main story) and 16 mm. film (the footage shot by a TV documentary crew at the rehearsals). The film gains its sense of authenticity from the fact that the play was an actual play in production (with Kalfon as producer), the TV crew an actual TV crew. "The guiding principle," Rivette has said in an interview, "was to let things happen by themselves without ever forcing them, to be there as a witness." The result is hypnotic. Treat yourself to a day in Brighton and go and see it.

*

The approach of Hungarian director Pal Sandor could not be more different from Rivette's. His film *Improperly Dressed* is an ornate, heavy-with-atmosphere period piece set in Hungary after the downfall of the Communist Republic in 1919. A boy attempting to flee across the border has disguised himself as a female nurse and taken refuge in a sanatorium. There he is to wait for a fellow escapee to arrive. The days pass, the boy finds his assumed identity an increasing burden. Finally, after numerous alarms and threats of disclosure, his companion arrives and the two make their perilous bid for freedom.

The film has aimed at what might be called the Losey-enigmatic style. Weighty with period ornamentation, its musical soundtrack in elegiac waltz time, the story floats rather than advances forward, and the viscous atmosphere of the proceedings is often more suggestive of an aquarium than a sanatorium.

I must confess to having walked out half-way through the film when I first encountered it last year at Cannes, and only professional duty kept me in my seat this time. It is clearly part of Sandor's purpose to present the sanatorium as a museum of old life-styles in which the youthful hero is trapped. But there is no antithesis to this in the film. It is all like a museum, including the gnomic and inexpressive main character, and the pervasive inertia is compounded by voices and sound effects that have the deadness of dubbing-studio post-synchronisation. One always feels guilty and/or ungrateful in disliking a foreign film brought to London by our most adventurous independent exhibitor, Derek Hill. But his adventurousness here is misplaced: there are foreign movies far worthier of his attention still queueing up to get into London.

*

John Thaw and Dennis Waterman ride again as the two Flying Squad detectives from the TV series The Sweeney. *Sweeney Two* is distinguishable from *Sweeney*, its big-screen predecessor, chiefly in its fractionally less idiotic and implausible plot and its fractionally reduced dependence on the foul-mouthed charm of its heroes. The action keeps moving, not to any great purpose but with much noise and bustle, and Thaw and Waterman trade expletives with a lot less of the aren't-we-daring self-consciousness shown before. The plot is about a coven of expatriate criminals who live in luxury in Malta, drinking chilled wine and eating al fresco lobster, and make periodic sorties to London to rob banks. Can Regan and Carter catch them?

The non-appearance of London newspapers some weeks back meant that many readers did not hear about what were then, and still are, the two best films in London. Lose no time at all in going to see Luis Bunuel's *That Obscure Object of Desire* and Nagisa Oshima's *Ai No Corrida*. The first is the Spanish director's best film in years. The second is a study in eroticism as passionate, intelligent and genuinely "adult" as this country has ever seen.

John Thaw and Georgina Hale in 'The Sweeney'

Covent Garden

Otello by ELIZABETH FORBES

Few theatrical productions — least of all operatic stagings — manage to keep their shape for over 20 years. Covent Garden's *Otello*, produced by Peter Potter and designed by Georges Wakhevitch, was first unveiled 22 years and six months ago; revived on Wednesday by Mr. Potter himself, it still has a recognisable character and identity, though there cannot be many—if indeed there are any—individuals even from the chorus or the orchestra, who took part in that performance on October 17, 1955.

Carlo Cossutta, who sings Otello, encompasses the notes of the role with an exhilarating freedom from strain. He is convincing as soldier and as lover, but there is a certain lack of tension in his performance that makes the violent, jealous side to the Moor's character rather less natural; in other words, he is not menacing enough. After strangling Desdemona a bit casually with one hand, Mr. Cossutta makes amends with a gloriously sung "Nun mi tema" and dies nobly. As Desdemona, Maria Chiara, after a slightly uncertain start—to embark cold on the love duet cannot be easy—sings with rich, burnished tone, but presents a meek, pallid characterisation that fulfils the promise neither of Shakespeare nor of Verdi.

Paradoxically, once she has been thrown to the ground, in the literal sense, this Desdemona gains strength and courage; she leads the ensemble at the end of the third act firmly and phrases the Willow Song with touching determination. Of the three principals it is Silvano Caroli's Iago who dominates dramatically. Devoured by ambition, he yet plays the subordinate with perfect conviction, offering a placid, polite exterior to the world. Only in the Credo does he let the mask slip, and here Mr. Caroli, who has a great gift for stillness, permits himself an effective touch or two of melodrama. His vocalism is as polished as his behaviour.

The smaller roles are all exceptionally well filled. Robin Leggate makes a debonair Cassio, not too cast down by his temporary disgrace, certain that his General's wife will intercede on his behalf. Ian Caley, making an auspicious debut at Covent Garden, is a good Roderigo, no villain but a weakling entirely swayed by the force of Iago's personality. Malcolm King gives Montano real distinction, while Aldo Bramante, also appearing for the first time at the Opera House, is a dignified, cavernous-voiced Lodovico. Elizabeth Bainbridge, a sympathetic Emilia, completes the cast.

The conductor is Giuseppe Patanè; he opens the opera with an exciting, well-controlled storm and then, with the co-operation of the chorus, lends the victory celebrations a genuine feeling of enjoyment. On Wednesday the second act was less securely shaped, and the quartet rather fell apart, but the big third act ensemble flowed beautifully, with the various private conversations going on amid the general condemnation of Otello's treatment of Desdemona both audible and correctly balanced. The conductor also draws some ravishing playing from individual sections of the orchestra; the double-basses who accompany Otello's entrance in the last scene are particularly expressive.

Leonard Burt

Carlo Cossutta and Maria Chiara

Bush

On The Out by MICHAEL COVENEY

Half-caste Zoltan is "on the out" after serving one year as a guest of Her Majesty for a minor crime in the East End. Tunde Ikoli, a black London playwright who wrote a delightful domestic comedy along Matura lines two years ago, proceeds to offer an unrecognisable Whitechapel milieu where the Sharks and the Jets (the black and the white) go about their underworld business while drawing breath only to articulate unlikely liberal character analysis such as: "I'm not boring. I watch the telly and take Sandra to the pictures—I'm free!"

Regular Bush-whackers lap this sort of stuff right up, of course. But nobody, least of all in East London, actually talks like that except when featured in plays like this. Or in improvisations by Mike Leigh. The trendy, patronising tone you could cut with a knife. The character in question is a white gangster now only half-embroiled in the gang's bangs "up West" on account of being recently married, poor deprived thing. It is sad to see an actor as talented as Michael Feast lumbered with mildewy rubbish of this sort.

John Chapman's production for Foco Novo is all gloss: painted white doors all over the stage evoke the everyday life of symbol folk without relating to the multiracial tensions of thuggery among the latest Krays. At times one feels that Mr. Ikoli could have written a really interesting piece about the disenfranchised black teenage community impinging on the previously white manors of Bethnal Green or Hackney. And since I share the Whitechapel roots with the author I am even further disappointed that his own recollection of them is no more specific than was Shakespeare's notion of Illyria. What country, friends, is this?

Philip Martin's TV series *Gangsters* explored a fantasy underworld in an accurately defined Birmingham milieu. It is a sign of Mr. Ikoli's failure to do something similar that the most effective character is Barry, as played by Roderick Smith, a self-deflating bovver boy who is all mouth and no teeth. There are some nice comic touches applied by Billy Murray to a dramatic face in no need of the debilitating cosmetic surgery of Alan Igbon's *Liverpudlian* wide boy in a bright white suit and floating winkle-pickers.

Mermaid

St. Mark's Gospel

by B. A. YOUNG

On to the bare stage of the Mermaid, empty but for a cheap table and three chairs, Alec McCowen enters and with studied unconcern picks up a piece of fluff from the floor. He is wearing casual cothes, with an open shirt. After a friendly chat, he tells the Gospel story, as written by St. Mark and translated for the King James version. A paperback New Testament lies on the table, but he has no need of it.

It is an astonishing feat of memory, but this is not the most remarkable thing about it. What makes the performance so admirable—and it is a performance, however casual it may appear—is the freshness it brings to the familiar words. You can imagine the amazement, the excitement, the joy, the sorrow that Mark felt when for the first time he heard the story from St. Peter and his friends. There is a little light characterisation—the Sadducees, with their trick question about the single bride for seven brothers, are made to seem very foolish—but for the most part this is simply a narrative told, as it were, over a camp fire.

It brings the words to a life that is quite unlike their sound as spoken, no matter how sonorously, from the lectern. And for me it confirms the supremacy of the King James version. Occasional difficulties may persist. Mark didn't make the argument about salt very clear, for instance; but for the most part the narrative is swift and easy.

Mr. McCowen's voice, as bright as a jewel and as crisp as a water-biscuit, is an ideal instrument for such an undertaking. The words become a story again, not a lesson. The recital lasts about two hours and a quarter, with an interval in the middle, and there is not a moment where the attention can be allowed to flag. The run at the Mermaid lasts only until Sunday.

Leonard Burt

Alec McCowen

Festival Hall

A Mass of Life

by RONALD CRICHTON

Even now, when Delius, his strange personality and his cosmopolitan background are so much written about, *A Mass of Life* is heard rarely enough to become an occasion. On Wednesday the Royal Philharmonic B.B.C. Symphony Orchestra and Society gathered together the Choirs, with the Royal Choral Society, four leading soloists and Sir Charles Groves to conduct them. There was a good audience. Perhaps concert organisers are too wary of putting to the test of performance a composer in whom interest apparently not only continues but increases.

Groves is an excellent and experienced interpreter of Delius, who has already made a fine recording of the *Mass*. His reading has, I think, further deepened since then. He does not rival Beecham's cuff-shooting brilliance of attack in, for example, the roof-raising opening pages. But British choirs seem to have given up raising roofs: our innate (and in musical matters sometimes pernicious) respectability still lurks in choral lungs. Much of these choirs' singing in part one was undervitalised. After the break, the tone became more lively and varied both in the surging double choruses and in the quieter moments.

These contain some of the most magical music in the score: Groves made much of them in a way of his own, using a lighter palette than the old type of choral conductor, helped by some admirable playing from the BBC orchestra. One danger was not entirely averted. With the lighter orchestral palette, slow movements like the noon-tide episode in part two are in even greater danger than usual of dragging — on Wednesday "der alte Mittag" was lovely indeed, but the pulse threatened to droop and prolong the loveliness for all eternity.

The work was sung in Nietzsche's German with a sensible English translation by Edward Travis printed in the programme. The language may have hampered the choirs, at last at first. It comes easily enough to Benjamin Luxon, who has made the baritone solo his own —he was equally admirable in style and tone and commanding presence. Scarcely ever did one feel the awkwardness that sometimes makes Delius sound as if the vocal line had been stuck on afterwards. In the *Mass* the other soloists are also-rans by comparison, though they have responsible things to do. Neither Margaret Curphey nor Helen Watts sounded in clearest voice, but Richard Lewis successfully defied time.

Sadler's Wells Theatre

La Boutique Fantasque

by CLEMENT CRISP

When the first pizzicato notes of *Boutique's* overture sound, and then the beautiful Derain set comes into view, we know that there is still a lot right with the world. It is not an easy ballet to bring off, and the Sadler's Wells Royal Ballet presentation at the opening of the season on Wednesday was knee-deep in sins of omission, but the piece has so much right about it that one can never be wholly disappointed by a performance.

Derain's designs establish the happiest of atmospheres; the Rossini-Respighi score is a compendium of delights; Massine's choreography responds to attentive care by sparkling and crackling with energy. Ideally, the dancing should catch all the music's ebullience, but the SWRB artists have yet to learn to give themselves totally to their roles. I thought that John Auld and David Morse as the shopkeeper and his assistant, and Kim Reeder and David Bintley as the Snob and the melon seller, best captured the Massine manner — sharply focused, electric in accent. Elsewhere, good intentions and an unfamiliarity with the Ballet Russe style made the action and characters look flimsy. Brenda Last and Alain Dubreuil were the Can-Can dancers, and dutiful on this occasion rather than inspired: memories of Massine himself and Danilova (and Pamela May, an adorable incumbent of the frothing skirt) are still fresh, and the wit of their interpretations still unmatched.

The evening had begun with another revival from the Diaghilev years, when *Les Sylphides* was given a sober-sided performance. Detergent lighting—of a particularly unmagical blue which bleached the sylphs—and the suspicion that the production was cramped on the Wells stage were partly to blame for its lack of poetry. The dancing was careful. In the case of Marion Tait, the ballerina of the *pas de deux*, it was musical, sensitive and gently rounded in poses; her companions were rather less forthcoming in romantic style, and the work suffered thereby. At all costs *Les Sylphides* must avoid looking genteel, and there was a suggestion of something dangerously winsome about it on Wednesday.

There was, though, nothing polite about *Las Hermanas* which completed the bill—rather the reverse. Led by Lynn Seymour and Desmond Kelly, with Brenda Last and Margaret Barbieri as two younger sisters, the presentation had a high dramatic temperature, which occasioned some feverish moments. MacMillan's choreography can, with advantage, be underplayed and kept cooler: on Wednesday emotions festered, passions seethed, and the piece had a slightly operatic air which does not suit it.

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY

Telegrams: Finantimo, London PS4. Telex: 886341/2, 883897

Telephone: 01-248 8000

Friday April 21 1978

A symbolic gesture

THE DECISION of the U.S. Administration to hold regular sales of gold from its reserve for "at least" six months is not altogether unexpected. Gold sales were one element in the package proposed by Dr. Arthur Burns, at the time of his retirement from chairmanship of the Federal Reserve Board, to prevent a further decline in the dollar exchange rate and the international damage which might be caused by such a decline. There were Press reports earlier this month that the Administration was considering a scheme very like that actually announced on Wednesday night: and though Mr. Solomon, the Treasury Under Secretary for Monetary Affairs, denied then that there were plans for selling gold immediately, he admitted that the Administration was continuing to assess the case for doing so in the future.

Dr. Burns had suggested that the U.S. ought to announce its readiness to sell the whole of its gold reserve if necessary. The present proposal—which will itself have to be approved by Congress—is very modest by comparison. Indeed, sales from the U.S. reserve will be smaller than those which the International Monetary Fund has been conducting monthly without any serious effect on the price. It is probably no accident that the Fund has now completed the first half of its selling operation. Its future sales and those of the U.S. will presumably be co-ordinated.

Weak dollar

There are several different aspects from which the U.S. decision can be viewed. First, it will save a certain amount of foreign exchange if the gold sold from the reserves replaces imports and bring in a certain amount if it is bought by foreigners. When one is running a payments deficit as large as that of the U.S., any saving is welcome. Second, given the diplomatic activity taking place in southern Africa at the moment, it may be regarded as a warning to South Africa that the U.S. is willing to exert considerable pressure if necessary—though the amount of gold to be sold off is unlikely in itself to make much of a dent in South Africa's foreign exchange earnings.

Third, it is a reminder of the fact that there has long been a school of thought in the U.S. which holds that the monetary function of gold is now obsolete and that it should be treated like any other commodity, with sales taking place when the stockpile is unnecessarily large. For all the force with which this case has been argued, however, successive Administrations have never in the end been quite able to accept it; and the sales programme now announced does not suggest that President Carter and his advisers have moved much closer towards acceptance of it except in a purely symbolic sense. Indeed, the whole operation is fundamentally symbolic. It is intended, in particular, to symbolise the Administration's determination to put an end to the long-standing weakness of the dollar.

Determination

There was a time, which the U.S. Administration must now regret, in which it chose to ignore or even encourage the decline in the exchange rate of the dollar against the stronger currencies, as a means of putting pressure on the governments concerned to reduce their balance of payments surpluses. When it began to modify this original attitude, its change of heart was not always recognised or accepted, and the various measures taken by the President and his advisers to deal with the dollar problem failed to carry much conviction either at home or abroad. Both the Budget message and the speech which the President recently made on his return home, in particular, failed to come up to expectation.

But Mr. Carter has undertaken to give priority from now on to economic problems. Although he has failed so far to get his Energy Bill through Congress and so cut down on oil imports, the dollar is much more stable than it was against the yen and the D-mark. Now the new chairman of the Federal Reserve has moved against inflation in a way long advocated, by raising interest rates, and the Administration has decided to sell a limited amount of gold. It looks as if an attempt is being made to hold the dollar exchange at its present level. We should all hope that it succeeds.

Metrication must proceed

THE U.K., having started on the switch to metrication in 1965, is still a long way from completing it. The sooner we can get out of this halfway house, the better. A process which was supposed to take ten years, a generous enough time-scale, is now going to require at least 15 and perhaps longer if the opponents of metrication continue to gain ground. It is worth remembering that as far back as 1871 a Bill to introduce the metric system was defeated in the House of Commons by only five votes, more than a century later the national debate is still in progress and apparently becoming more heated.

Confusion

It was in the late fifties and sixties that British industry, selling to and buying from an increasingly metric world, saw the need to make the switch. Industry's proposals were accepted by the Labour Government at that time, a ten-year programme was worked out and in the early years considerable progress was made, especially in engineering and other branches of manufacturing. But during the seventies anxieties began to grow, especially about the effect of the change in retailing and consumer products.

The transition is by no means complete in manufacturing and the costs of operating two systems of measurement in parallel are considerable; that is why industry, as the CBI confirmed yesterday, is anxious to press on with metrication as quickly as possible. But the extension of the system to fresh food and other consumer items arouses understandable anxieties that shoppers will be confused, forced to pay higher prices than they need and perhaps taken advantage of by unscrupulous traders.

The Metrication Board and the Government have done their best to reassure the public that the safeguards are adequate and that going metric will not put up prices in the shops. But the fears exist and some politicians, especially on the Conservative side, have had no hesitation in exploiting them. As a result, the Government has been having difficulty in securing House of Commons approval for the various statutory orders which impose cut-off dates for the switch to metric measures in individual sectors and impose penalties for non-compliance. These delays, which clearly pose a threat to the metrication timetable, prompted Mr. John Fraser, Minister of State for Prices and Consumer Protection, to try to bring matters to a head.

Earlier this week he wrote an open letter to a large number of trade associations and consumer organisations, asking them to inform him within one week whether or not they support the existing programme, with cut-off orders based on agreed timetables. He pointed out in the letter that the Government could not proceed against a background of hostility. Parliament and the country had to decide whether to let the imperial system wither away in the shops over a long period or whether the process should follow a definite and prescribed timetable, with an orderly conclusion coming at the beginning of the 1980s.

Penalties

Initial reactions suggest that Mr. Fraser will receive a strong endorsement of the programme from most of the organisations contacted. It is in any case quite impractical to abandon it in mid-stream or to switch to an entirely voluntary system. If there is no statutory backing, including penalties for non-compliance (a familiar feature of all weights and measures legislation), this would simply compound the confusion in the minds of retailers and consumers; the worst of all worlds would be a de facto split between manufacturing and retailing. The Conservatives may think they are scoring some political points in preventing the Government from sticking to its metrication timetable, but they are doing a disservice to the country.

The Americans try to kill the golden calf

BY ANTHONY HARRIS

THE SYMBOLIC importance of the decision by the U.S. to start a monthly auction of its gold stocks is far greater than its financial importance, or even than its considerably greater impact on the market for gold itself. The scale is in fact modest: the stock would last nearly 70 years at the rate proposed.

But the decision embodies three aims at once: to symbolise the determination of the U.S. to arrest the decline of the dollar, now that it has reached what the Administration seems to regard as a realistic level; to damp down an speculative fever in the gold market itself; and to take a step further towards the slow de-monetisation of gold which has been official U.S. policy since the gold window was officially closed in 1971.

Whether the measure will achieve these aims remains to be seen. It is as a gesture that the sales are most questionable. As our own Mr. Callaghan, the British Prime Minister, learned painfully when he was Chancellor in 1974, actions intended to demonstrate determination can easily be read in the outside world as a sign of desperation: the rise of U.K. Bank Rate to the then crisis level of 7 per cent. in November, soon after a new Labour Government had taken office, precipitated a sterling crisis instead of heading it off.

Dr. Arthur Burns

The Americans appear to have learned something from that experience. Although sales of U.S. official gold have been expected for some time, and were openly urged recently by Dr. Arthur Burns, the newly retired Chairman of the Federal Reserve Board, the announcement has been left until tight monetary policy and a reviving foreign interest in Wall Street securities have made the dollar look relatively strong. Against that background, and with an apparently determined new chairman in office at the Fed, the gold sales will probably prove marginally helpful—especially if the measure is approved by Congress without too many reservations.

While the proceeds of the proposed sales will only cover about one day a month of the expected U.S. deficit, they will fulfil a much more useful role by stabilising the price of gold itself. The problem of the $500bn. "overhang" of foreign-held currency is only partly concerned with the U.S. current account; much bigger flows tend to be generated by speculative movements than by officially financed trade settlements.

Some speculative disorder was unavoidable while American policy was actually aimed to produce a dollar depreciation—and, more important from the U.S. point of view, a sharp appreciation of the German D-mark and the yen. The difficulty is to restore confidence in a currency which has proved a loss-making holding, and a speculative flight into gold has been an apparent danger for some time. The scale of U.S. gold sales seems to have been calculated quite carefully to stabilise the price— incidentally leaving Wall Street itself as perhaps the most attractive alternative to dollar assets with a fixed money value.

The calculation is probably quite reliable, in the short run at any rate, because as can be seen from the gold price charts, the real value of gold—represented here by its price in Swiss francs rather than dollars—has on the whole been remarkably stable over the past few years of general financial turbulence. Industrial demand for gold has been growing somewhat in response to the setting down of the price. Investment demand is more a matter of prudent insurance against future financial turbulence, with a fairly fixed proportion in portfolios, than of wild speculative rushes.

Further, industrial demand appears to be sufficiently price elastic to ensure that relatively small changes in the flow of gold on to the market—and the U.S. sales will add perhaps 10 per cent. to recent supplies—can be absorbed without disruption. Indeed the new supply seems to be regarded as helpful even by the South Africans, who might be expected to object. Mining interests there regard a stable real price as an encouragement to long term growth, and have learned ruefully that sudden price rises can provoke exorbitant wage claims.

When the Chairman of Anglo-American Gold Investment, Mr. J. Ogilvie Thompson, reviewed the state of the gold market six weeks ago, he was clearly undisturbed by the likelihood of official U.S. sales.

"The accelerating demand for gold for fabrication and investment could not have been satisfied unless adequate supplies had been forthcoming to supplement free world production," he said. "It is not surprising that sales from Communist sources and official sales from the IMF have been absorbed so readily . . .

"The singular imbalance in gold holdings between the developed deficit countries on the one hand (large gold stocks are held not only by the U.S., but by France, Italy, and the Netherlands) and OPEC and other major surplus countries like Japan, must also be taken into account."

Mr. Ogilvie Thompson foresaw some revival of the use of gold in official settlements once the amendment to the IMF articles authorising the use of gold at a market-related value in official transactions was ratified. In short, producers hope that gold can fill a monetary role even if it has no stable money value.

This peaceful picture of a stable market with growing industrial demand does not at all mean, though, that the Americans have achieved their declared objective of making gold into a "commodity like any other." It remains a commodity unlike any other, because it has a market always potentially dominated by existing stocks. World official holdings add up, in round number, to 1bn. ounces, or nearly 50 years' production at recent rates. Private investment holdings are a matter of guesswork, but are of about the same order of magnitude. It is the disparity between stocks and production (which only adds 1-2 per cent. to stocks annually) which has made the demonetisation of gold more or less inevitable.

In past years, when gold production was higher and world industrial production much lower, output was enough to keep monetary gold stocks growing at a rate of 3-4 per cent. annually. A world money system based on gold at that time could accommodate real growth—without inflation—of about the same order. During the 1960s, however, private industrial and investment demand, at the then fixed price of $35 an ounce, grew large enough to absorb the entire mined output, and the rules had to change.

This was so partly of course because even with creeping world inflation, gold at a fixed dollar price was becoming steadily cheaper in real terms. After a series of delaying actions from the Washington gold agreement of 1968, which effectively ended the operations of the official dollar pool, to the U.S. decision in 1971 to end gold convertibility, the price became unrealistically low. The sharp adjustments which [fol]lowed—carrying gold at [one] point to over $200 an oun[ce] created an enormous specul[ative] demand, but disrupted [the] manufacturing market. relative stability in real t[erms] during recent years has [been] very welcome to the indust[ry].

With private demand running somewhat ahead [of] mining supply, price stabil[ity is] once again very much w[ithin] the control of official holde[rs] acting now as sellers, ra[ther] than as in the early post[-war] decades, as residual buyers. [The] stabilising effect of IMF [sales] was fortuitous—the aim wa[s to] raise money for the develo[ping] countries. U.S. sales ap[pear] intended to stabilise the ma[rket].

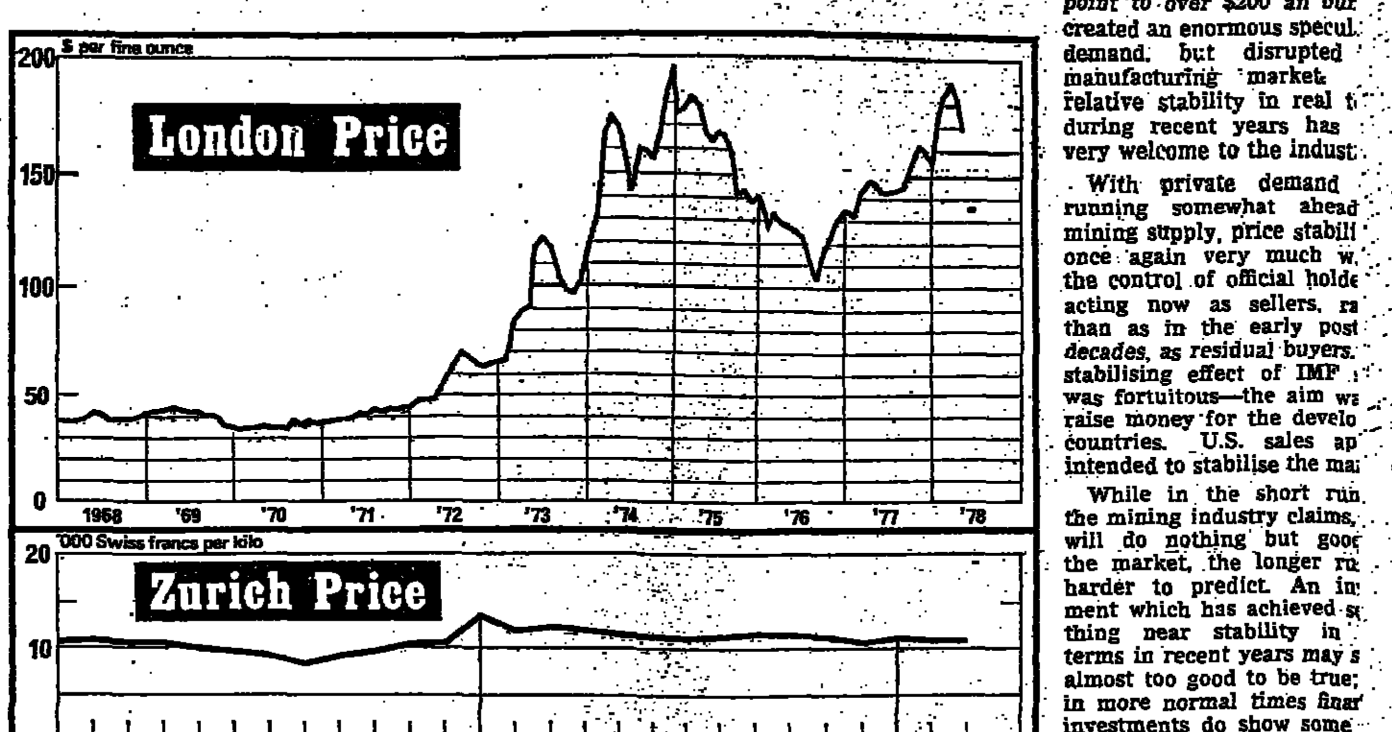
While in the short run, the mining industry claims, [this] will do nothing but goo[d to] the market, the longer ru[n is] harder to predict. An in[vest]ment which has achieved so[me]thing near stability in [real] terms in recent years may s[eem] almost too good to be true; in more normal times finan[cial] investments do show some return, while stabilised [gold] would offer none. Private [in]vestment demand could in [the] end tend to die of boredom [in] a stable world, leaving the p[rice] vulnerable again.

Gold's safety appeal

On the other hand in a w[orld] of divergent inflation rates [and] large speculative finan[cial] flows, the stability of g[old] would retain its safety app[eal] and would reinforce the ar[gu]ments of those who are alre[ady] arguing again for a restorat[ion] of gold to a pivotal role in [the] world monetary system. [The] Group of Ten agreement [to] freeze official gold stocks [has] now expired, and in a turbul[ent] world official buying by tra[di]tional gold-holders might [re]vive. Indeed, the U.S. autho[ri]ties have already felt [it] necessary to say that they [will] try to exclude central ba[nks] from their auctions.

Against this background, [offi]cial interventions cannot long be expected to dominat[e a] market which is subject, b[oth] emotionally and in terms [of] physical stocks, to the exp[eri]ence of some millennia of [his]tory. Gold, the portable wea[lth] of the nomad and the refug[ee] will always tend to appreci[ate] in politically and economica[lly] turbulent times, and to subs[ide] gently in stable ones; and [the] argument about its monet[ary] role is likely to follow the sa[me] unchanging cycle. Not ev[en] American stocks—represent[ing] a little over a decade of min[e] output—are big enough to c[on]vert gold into "a commod[ity] like any other."

THE STORY OF GOLD SINCE 1968



1968—Upward pressure on the gold price leads to a virtual halt in dealing in March. *Central banks start a two-tier gold price with* "official" gold at $35 an ounce and a free market price for the rest.

1969—IMF agrees to buy South African gold at $35 an ounce if market price falls below that.

1971—The year of gold's take-off. The dollar crisis leads to the suspension of its convertibility into gold at the official price.

1972—The official price is raised to $38 an ounce but the market price tops $70.

1973—Devaluation of the U.S. dollar takes the official price to $42.22, but the market peaks at $127. The two-tier price system is abandoned, allowing central banks to sell, but not buy, gold at the market price.

1974—The gold price moves to its peak, with the prospect of U.S. citizens being allowed to own gold on the last day of the year. The highest price reached is $195.50 a few days beforehand.

1975—The U.S. campaign to label gold as another commodity has initial success, aided by economic recession. The U.S. Treasury sells gold twice—a total of 1.3m. ounces. *The public is not enthusiastic. The IMF* announces agreement to abolish the official gold price and to sell part of its gold holding.

1976—The gold price continues to fall with the IMF's programme of gold auctions. The first occurs in June. In the autumn, user demand for gold re-asserts itself and renewed fears of currency unrest help push the gold price back up.

1977—The weakness of the dollar is the chief factor behind the rise in the gold price. A resumption of U.S. Treasury gold sales is suggested in March but rejected pro tem. Continued IMF auctions do not check the upward trend.

1978—The plight of the dollar continues and gives rise to mounting speculation of a Treasury gold sale. Fabrication demand continues to exceed free world mine output. Central banks are freed to buy and sell gold *at market price. The gold price reflects the* dollar's weakness but hardly moves between January and April in terms of Swiss francs.

MEN AND MATTERS

Briton seeks a presidency

You may think that our politicians have a quiet, if not luxurious time in Strasbourg, but this week at least the sound of battle can be heard. For Percy Grieve, MP, is campaigning for the presidency of the Council of Europe. Not with posters—as he did when campaigning against Dick Taverne in 1962 with the perhaps unfortunate slogan "Grieve for Lincoln"—but with the more elegant technique used at Strasbourg of merely sending letters.

Grieve told me last night that this will be the first time the elections for the presidency have been contested since the British Labour MP Geoffrey de Freitas won by one vote in 1966. Since then the Liberals (with 35 votes), Christian Democrats (66) and Socialists (110) have had a gentlemen's agreement to take it in turns to supply the president. But our Tories are affiliated to the Independents at Strasbourg. These have 59 votes, but no one seems to want a gentlemen's agreement with them.

Grieve, who is 63, is running against the one year older former Dutch Defence Minister, Henri Johan de Koster. He is hoping for what he calls "cross support," but what most people would call defections from the British Socialists and European Christian Democrats. Grieve thinks that de Koster is also a suitable candidate and says of him "We are friends." But Grieve believes that as a convinced European he, too, is suitable. He says he has not campaigned on issues and thinks that his constituents in Solihull—where he has a safe majority of 15,800—"appreciate the fact" that he is a candidate.

He already has to spend some 50 to 60 days a year in Strasbourg and says there is no salary in the job. He thinks the Council of Europe important, not least because of the 97 European conventions which it safeguards. And he says the job has prestige, even though the present President, the Austrian socialist Czernetz, is strikingly absent from the 1977-1978 edition of the International Who's Who.

"For bravery beyond the call of duty in keeping well below Government pay limits!"

Talking sides

Those grand old grannies of the streets, the London cabs, have had their honour saved. Their sides may be wreathed in advertisements in the provinces but here in London monochrome is to remain the order of the day.

The advertising agency, Hanbridge, has won permission to decorate cabs in Birmingham, Manchester and Newcastle upon Tyne: all but four of Birmingham's 400 taxis now have advertisements, Hanbridge tell me. But the Metropolitan Police have finally rejected an application they made for London. "Environmental objections" and concern to maintain the "current high standard of appearance" are cited by Assistant Commissioner Wilson in his letter to Hanbridge.

But the most telling reason is that the Royal Parks regulations do not allow vehicles with advertising to go through the parks. What about the buses in Park Lane? I asked. "Oh, they redefined the park," I was told.

Seen at speed

Leaks are the secret of designing a successful jet engine: you have to get the air and gas leaks just right. Joint Queen's Awards for a bright idea which *has made it easier* to achieve that have just been given to Rolls-Royce and Harwell's Non-destructive Testing Centre.

Experts at Harwell, led by Roy Sharpe, devised a way of using X-rays to "freeze" a jet engine in full spate. The designers could then see for the first time how all the bits fitted together. The two organisations have taken 19,000 X-rays of jet engines, using portable atom-smashers. The partnership has been worth perhaps £100,000 to Harwell—but very much more to Rolls-Royce. Development time on some new Rolls engines has been cut by up to a fifth.

Hot steel roofs

One of my more cynical friends thinks Queens Awards should go not merely to companies who export a lot, but to countries who buy a lot. If that happens, Saudi Arabia will be well placed to score on both counts. This year's award to Space Decks Ltd., of Chard, Somerset, is for increasing exports tenfold to Saudi Arabia in three years. It happens that Space Decks, which makes prefabricated steel roofing, is wholly owned by National Chemical Industries (NCI) of Saudi Arabia.

Space Decks has plenty more Middle East orders on its books. It is a subsidiary of Beyer Peacock, which was in financial trouble when NCI took it over in 1976. In the past year, more *than £3m. worth of roofs from* Chard have been shipped to ward off the Arabian sun.

Bunny baffler

Since all the talk to-day is of exports, here is a small mystery: why do the Japanese buy from Britain so many Bunnykins egg-cups, of a style much favoured in Edwardian nurseries? It is not as though the Japanese care much for boiled eggs, English *style. Nor are they fond* of rabbits. But the Bunnykins makers, Royal Doulton, have lately discovered that they are exporting far more of the egg-cups per capita to the Japanese than they could possibly expect. *There is one bold piece of* guesswork: these whimsical little china objects are just the right size for drinking saki out of. "Please don't make fun of the Japanese," a Bunnykins spokesperson told me. "They're *such good customers.*"

Words of wisdom

With the opening of the traded options market in London today, market watchers will have to cope with a new jargon. Here is Barron's magazine on Chicago options after Wall Street's recent upsurge: "Shorts were squeezed unmercifully. Sophisticated ratio writers who thought that selling naked April calls was relatively safe the week prior to expiration cried 'Uncle.' For once arbitrageurs could buy the discounted Aprils and sell the stock without being accused of rivetting the shares to the strike."

I am glad we cleared that one up.

POLITICS TO-DAY

How the Left came to love Carter

"MY FATHER," President Carter wrote in his autobiography *Why not the Best?*, "was quite conservative, and my mother was and is a liberal." But, he went on: "Within our family we never really thought about trying to define such labels."

It is true that the terms "liberal" and "conservative" are used rather less in American politics than in Britain, and the terms "left" and "right" are used hardly at all. It is also true that there has long been a tradition in the U.S. of a politician being liberal on one set of issues and conservative on another and having no particular trouble with his party. Senator Fullbright, for example, was distinctly, even aggressively liberal on Vietnam, but profoundly conservative on race, and no-one in America thought that especially odd.

Yet in Britain—and perhaps in much of Europe—people tend to look for labels, and that, one suspects, is one of the troubles in the reactions to President Carter. Mr. Carter is conservative on fiscal policy, but liberal on practically everything else. There is also a tendency to believe that when it comes to foreign policy all American Presidents will behave in much the same way, that is in the end, the U.S. will lead, and will do so from the classic post-war anti-communist position. It is rather puzzling to find that Mr. Carter does not quite fit into that mould. The general assumption is still that sooner or later events will compel him to do so: that whatever the President may be saying now, eventually he will have to stand up to the Russians and perhaps even intervene militarily in some part of the world where the case for defending human rights is less than clear-cut.

There is another possibility which is that the rest of the world, and especially America's allies, will have to adjust to President Carter rather than the other way round. Some evidence that this is already happening can be found in the attitudes of British politicians. It is, after all, unusual for an American President to be roundly and publicly criticised by a Conservative Shadow Defence Secretary, as Mr. Carter was by Sir Ian Gilmour for his decision to shelve the production of the neutron bomb. It is no less striking to find the President emerging as something of a hero among the Labour Left. The admiration of Mr. Callaghan and of Dr. David Owen, the Foreign Secretary, for Mr. Carter is well-known, but in no sense can they be described as on the foreign policy Left of the party. It is something different when the praise starts to come from (say) Mr. John Mendelson.

Neutron bomb

Of course, the neutron bomb decision has a great deal to do with it. President Carter came down against production at the very moment when Mr. Callaghan and the Social Democrat Chancellor of West Germany, Herr Helmut Schmidt, appeared to be about to ask him to do the opposite. The good name of the Left was saved by American intervention. But that is, as it were, the affair of the moment: there is really much more to it.

Mr. Mendelson would say, for instance, that Soviet-American relations are now more secure than they have been at any stage in the last 15 years, and that largely as a result of President Carter's refusal to push the strategic arms race or to intervene wherever there is the emergence of Soviet power. This is not presented as an expression of American weakness, but of a new-found strength. It is argued that America can proceed by diplomacy and by setting an example. Thus if the U.S. is seen to be on the side of the oppressed, and to have forsaken military intervention in support of anti-communist, but not usually democratic regimes, all sorts of people will follow the American lead.

Nowhere is this more true than in Africa, and especially southern Africa. The Carter Administration has earned the gratitude of the Left by its apparent readiness to stand up and be counted on the southern Africa question. It is credited with having almost brought down Mr. Ian Smith in Rhodesia, although in fact the virtual capitulation of Mr. Smith took place in the final stage of the Kissinger period.

It is also applauded for being ready, as the British Government never has been, to do something about South Africa. Even now, Britain goes along with American policy in southern Africa largely in the hope that a peaceful settlement in Rhodesia and Namibia would postpone having to do anything very much about South Africa proper. The Government trusts that even American pressure would then ease off. The Left, on the other hand, tends to believe that President Carter might just go on pushing, and it could be right.

There are one or two other areas where this kind of new alignment between the Left and the U.S. Administration applies. For example, the British opposition to Windscale produced the argument that the Americans don't like reprocessing, therefore it must be wrong. In the past, the Left wing argument would have been almost invariably the reverse: anything that the U.S. supported, the Left tended to oppose, and vice versa.

Mr. John Mendelson, MP, a leading Left-winger. (Right) President Carter: "My father was quite conservative and my mother was, and is, a liberal."

As usual, the Left is quite well-read. If one looks at President Carter's writings or speeches, there is indeed a great deal of evidence that he is a new kind of American President, at least for the post-war period. Clearly he does have sympathy for the blacks, and not only in the U.S. Equally clearly he believes in human rights, and again in a universal application. Not least, he appears so far to try to practise what he preaches, and it is plain beyond doubt that he is reacting against all post-war Presidents since Truman: against the inactivism of Eisenhower, the glamour of Kennedy, the continued intervention of Johnson in Vietnam, and the secrecy and ultimate deceit of Nixon.

There are, of course, some contradictions. The human rights' campaign cannot be pushed so far that it alienates countries with which America needs to maintain or improve relations. The U.S. can do its best to show its concern about oppression in the Soviet Union, but not to the extent of jeopardising the superpower relationship or perhaps losing a second strategic arms limitation agreement. It is the same with the oil producers: there would not be much to be said, in practical terms, for a campaign to democratise Saudi Arabia which ended in revolution and no oil supplies. But, within limits that are hard to define, perhaps the human rights campaign, or the growing awareness of which side America is on, can be effective. Only a purist would insist that the campaign be pushed all the way.

There is also the paradox that while most of the better-known armaments decisions taken by President Carter have been against the introduction of new systems, he appears to be more than conscious of the need for American military power. At least one of his defence speeches has been quite hawkish. The U.S. contribution to NATO under the Carter Administration has in fact increased. Meanwhile, Dr. Harold Brown, the Defence Secretary, is working on ways of improving America's capability to intervene militarily in areas where there is no treaty obligation to do so. He is acting with the apparent approval of the President, despite the expressed preference for non-intervention.

All that adds up to a fairly confusing pattern. Yet it is still possible to see a certain kind of order, which might be summarised as follows. The U.S. needs military power, if only for use in the last resort. But there is no need for overkill, so let us go as hard as we possibly can for arms control and eventually for disarmament. Let us also make clear that we shall not automatically help any regime that says it is anti-communist and claims to be under left-wing attack. We are, after all, on the side of human rights. Besides, we must do all that we possibly can to preserve our own freedom of action. *Pace* Dr. Kissinger, there is no such thing as a viable "conceptual framework" for running the world, or even for preserving world order. The U.S. will provide leadership, but it is up to others to follow, or not, as they choose.

If that summary is at all accurate, and if President Carter sticks to those outlines, it would appear that the rest of the world is in for a period of re-adjustment. American responses can no longer be regarded as automatic and in line with those of previous Administrations. Some of that re-adjustment may be already dimly taking place in Britain, but it still has a long way to go and one suspects that it has much further to go in West Germany. Yet the effect on the foreign policy stance of the political parties could be quite traumatic.

To give just one anecdotal example. Very early on in the Carter Administration Dr. Owen remarked that the trouble with the front-line Presidents in southern Africa, and indeed with the guerilla leaders, was that they did not realise how radical Mr. Carter was. They had an automatic anti-American reflex born of years of experience, and it would take them a long time to lose it. One wonders now whether even Dr. Owen himself was fully aware of the extent of President Carter's potential radicalism.

A purely non-party view might be that Mr. Carter's approach of withdrawing from interventionism and going for arms control is broadly right, provided that he can put it into execution and provided that he has fully considered the possible consequences. There is also, however, the question of competence. His decision on the neutron bomb may have been the right one, but it could have been far more effectively and easily reached six or even nine months earlier.

It is odd, too, that a man who prided himself before his election to the Presidency on his membership of the Trilateral Commission should appear to have forgotten some of the principles on which trilateralism was based. Those were not only the bringing together of Europe, the U.S. and Japan, but also the linking of political, economic and security issues. There is not too much sign of that in the Carter Administration: and it remains just possible that the admirable policy of non-interventionism could turn into isolationism if there is not a better mutual understanding between America and its allies.

Malcolm Rutherford

Letters to the Editor

Bureaux de change

From the Marketing Manager, Chequepoint Services.

Sir,—Mr. Rost is the Conservative MP for Derbyshire South East. Currently he has been attacking bureaux de change for what he considers are their exorbitant charges and has achieved considerable publicity in so doing.

Generally Mr. Rost's criticisms are ill-conceived but typical of those levelled at the bureaux de change business. I should like to correct the record.

A bureau de change is a retail business, like any other but there is one crucial difference. The authorities compel us to sell our foreign currency to the authorised banks and in effect this means the clearing banks. Because of these requirements the clearing banks need give bureaux de change no more than a token improvement in the rate offered to the public; perhaps 1-½ per cent. This meagre amount is the sum of our advantage over the general public allowed to us by the clearing banks. We are therefore precluded from competing with them on price if we are to operate in prime West End locations which is where the tourists and the "home market" for cheque cashing needs it.

We can however, and do, compete with clearing banks on service. Our cheque customers, for example, are only too pleased to deal with us on a 4 per cent. margin if it means an escape from the hours imposed on the public by the clearing banks. Conceivably it is possible to operate a small provincial office on an owner/manager basis at the rates published by the clearing banks in the same way that a corner grocer can undercut a business with a West End showroom. The overhead is the difference. It is pure mischief, however, to suggest that bureaux de change in genreal could ever compete on even terms with the clearing banks who are our suppliers and set the "floor" price from which we must operate.

In a sudden access of consumerism Mr. Rost tells us on TV and in the Press that he has sent out an American girl posing as a tourist. Their joint activities are not revealed in much detail, but, he says, bureaux de change are "rooking" the tourists. Some bureaux he alleges charge 20 per cent. Frankly we doubt it and Mr. Rost should produce his evidence if he has it. If any bureau de change business were to charge 20 per cent. it is doubtful that they would survive. We certainly feel no need to apologise to Mr. Rost for our margins; our only regret is that we cannot charge more. Competition is too great.

J. A. Jorden.
Chequepoint Services,
47, Old Brompton Road, S.W.7.

A land release programme

From Mr. D. Gimson.

Sir,—I am surprised that Mr. David Morris (April 10) still believes that land shortage is the main reason lying behind high land prices. While this shortage undoubtedly contributes to higher prices through developers competing for available land, by far the most important factor in pushing up land prices is the expectation of higher house prices.

It seems clear to me that land values are pulled up by house prices rather than house prices being pushed up by land values. This is borne out by the experience over 1973 to 1976 when land prices were forced down from their peak in 1972-73 by a stagnant housing market. Houses sell for what the market will bear and the cost to the vendor (whether developer or individual) is quite irrelevant.

The general level of house prices is principally determined by sales of second hand houses and prices of new houses consequently cannot be significantly higher than the general level or they will not sell. It is expected that new houses for sale will be built at the rate of around 150,000 per annum for the foreseeable future. This level will only provide between 15 and 20 per cent. of house sales in any year and quite clearly new houses prices will have to be broadly in line with second hand house prices.

Developers decide how much they can afford to pay for land on a residual basis. That is to say, having made their own judgement on what to build and how much it will sell for, they then deduct the total cost of building the houses plus finance charges and profit margin from the predicted income to arrive at what they can afford to pay for the land. Obviously these assessments, including particularly the view taken of future sales and cost inflation, vary between developers so that no two will arrive at exactly the same conclusion for an individual site.

Mr. Morris is right to ask for a substantial reduction in the level of development land tax and for a positive land release programme. Both these measures will considerably assist in meeting the strong demand for new houses assuming, of course, that the land release programme relates to the house building industry's capability to build.

D. A. Gimson.
1, Meadway Close,
Hatch End, Middx.

ICI pay claim by managers

From the President, Association of Professional Scientists and Technologists.

Sir,—Many large companies have acknowledged the essential part their managerial and professional staff play in promoting and maintaining productivity and profitability. They have declared that they wish they could increase the relative remuneration of these workers if only the Government would allow them to do so. Similar sentiments have been voiced by several corporate bodies of employers.

Cynics may sometimes wonder how sincere these desires are to rectify the erosion of salary differentials compared with lower grades of workers and the disproportionate taxation burden managers have had to endure. An excellent opportunity will arise shortly for one of the largest and most reputable British companies to resolve any such doubts.

Mr. Maurice Hodgson, the new chairman of Imperial Chemical Industries, has publicly declared: "I am particularly concerned by the need for equity for our middle management. Incomes policies have compressed their gross earnings and high taxation has greatly exacerbated the situation to a point where they are now substantially under-rewarded for the responsibilities they bear."

In the near future, this association will be presenting a salary claim as exclusive bargaining agent for the good managerial and professional employees of ICI. This claim will be formulated in such a way that it could be met without contravention of Government policy. In view of Maurice Hodgson's statement I presume that this claim will be met in full without any need for negotiation.

Such action would put new heart into managers throughout British industry who, as Maurice Hodgson has said, have been "heavily clobbered but have remained highly motivated and loyal."

(Dr.) Maurice Green.
North Region Office:
175 Station Road,
Swinton, Manchester.

Lack of real rewards

From Mr. I. Blackwell.

Sir,—A recent salary survey by the Institution of Chemical Engineers produced an interesting table. It showed the remuneration of mebers with the hours of overtime worked.

Assuming basic hours as 37 per week and employees realistically work 47 weeks a year. Taking overtime per week as the mean of the range given then the following table can be calculated.

hrs/week Overtime	£ p.a. Salary	£/hr. Wages
none	6,500	3.7
2½	7,030	3.8
7½	8,000	3.8
12½	9,251	4.0
17½	8,500	3.3

Nowadays one expects more senior people to have higher salaries but also to work longer hours. This is reflected in the table but surprisingly the basic rate for the job hardly changes. Thus we have another example of the lack of real rewards for gaining promotion in our society.

Fermata.
20, The Long Shoot,
Nuneaton, Warwicks.

Post Office telecommunications

From the Managing Director, Post Office Telecommunications

Sir,—On April 14 you wrote about the report by Cripps and Godley on planning of telecommunications in the United Kingdom. I read your article and the report itself with a great deal of interest. We certainly recognise, as I imagine most informed people do, that planning the future of telecommunications is a highly complex matter, and many factors must be taken into account.

I ought to make quite clear that the Post Office recognises that it has an obligation to contribute to the success of British manufacturing companies in exporting their telecommunications equipment. In our largest current project, the development of the System X digital exchanges the Post Office is working in close partnership with Plessey, STC and GEC, freely exchanging information, and committing the substantial resources needed to ensure success. In this field, at any rate, we can scarcely be accused of secrecy, except of course in a natural desire to withhold technical information from our competitors.

It has been the established practice of my predecessor and myself, to hold regular meetings with the leaders of our supplying companies — electronic equipment and cables — in order to explore fully the implications of Post Office policy for the manufacturing companies. At these meetings, we discuss forward projections of orders for several years ahead.

The Cripps Godley report gives an unduly alarmist projection of the future manpower requirements of the telecommunications business. There is of course no doubt that the new digital technology is much more efficient in its use of manpower. This is a technology that is sweeping the world telecommunications scene, and our manufacturers must be in the forefront if they are to build their share of the world market.

Nevertheless it is also quite clear that Post Office Telecommunications is one of the real growth businesses in Britain. Not only are we rapidly adding new customers to the system, but as the business and residential user becomes aware of the ways in which new telecommunications facilities can help in business and private life, I am convinced that we will see a sustained and massive expansion of telecommunication facilities for many years to come.

We in the Post Office, looking 10 years ahead, forecast that the number of engineers employed in the business will remain approximately at the present level, although there will of course be many changes in the nature of work carried out by individuals as technology advances. In fact, we are prepared to give guarantees on security of employment to our technical staff.

Of course we are also concerned about the effect of new technology on jobs in our supplier companies. This is one important factor that lies behind our commitment to aiding our suppliers in their drive for exports. We must ensure to the best of our ability that they too can offset the effects of improved productivity by sustained and substantial expansion.

In arguing the case for a planning council, Cripps and Godley have certainly said nothing new in explaining the complexity of decisions in developing the telecommunications business, nor in pointing out their scale and significance. The Post Office, our colleagues in manufacturing industry, and the Government all recognise that the issues are complex, and that many factors rightly bear upon our future strategy.

Pressing decisions, however must be made; I remain unconvinced that a planning council, as proposed by Cripps and Godley, would contribute in any meaningful way to the quality or the speed of those decisions.

I must say a word finally about why the Post Office did not extend its usual facilities to Cripps and Godley in their study. When we were approached by them last year the Government had appointed two teams to investigate the Post Office and its procedures; the Carter Committee and Professor Posner. With two current official investigations, we could not see any merit in diverting Post Office resources to assist a third study.

Peter Benton.
P.O. Telecommunications,
2-12, Gresham Street, E.C.2.

Budgetary backache

From Mr. P. Lomax.

Sir,—With regard to David Churchill's article on "budgetary backache" (April 14) we hope you may be interested in the studies done in the U.S.A. comparing the efficiency of chiropractic management of industrial back injuries with that of orthodox medicine. The results of the research suggest that if chiropractors' services were included on the NHS the overall cost of back pain to the nation could be reduced by more than half.

Peter J. Lomax,
(On behalf of the British Chiropractors' Association),
4, Highbury,
Newcastle-upon-Tyne.

To-day's Events

GENERAL

London's new market in traded share options opens at Stock Exchange.

NALGO water authority workers meet on pay claim.

Welsh TUC conference opens, Llandudno (until April 23).

Mr. John *Silkin, Minister* of Agriculture, addresses public meeting at Deptford Labour Party, Town Hall, 8 p.m.

Judgment expected in case of stockbroker Mr. Lewis Altman and his partner, Mr. Robert Carnes, charged in connection with alleged exchange fraud.

Dr. Milton Friedman, U.S. economist, gives first in series of lectures jointly sponsored by Hoover Foundation and Strathclyde University, Glasgow.

Guild of British Newspaper Editors' conference opens, Harrogate (until April 23).

Two-day meeting ends in Brussels between Keidanren, the Japanese trade association, and Union of Industries of the European Communities.

Natural Rubber Producing Countries' executive committee meeting continues in Kuala Lumpur to agree proposals for international rubber agreement.

International Civil Aviation Organisation meeting due to end in Montreal.

Law of the Sea Conference continues, Geneva.

Sir Peter Vanneck, Lord Mayor of London, launches appeal for Shakespeare Theatre Trust, Mansion House, E.C.4.

Scottish TUC conference ends, Aberdeen.

PARLIAMENTARY BUSINESS

House of Commons: Private Members' Bills, including Employment Protection (Amendment) Bill, sponsored by Mr. Ian Mikardo (Lab., Bethnal Green and Bow), which gives workers the right to claim for unfair dismissal when they are dismissed during union-recognition disputes.

OFFICIAL STATISTICS

Financial accounts of industrial and commercial companies and personal sectors; and new acquisition of financial assets, analysis by sector (fourth-quarter). New vehicle registrations (March).

COMPANY RESULT

S. Pearson and Son (full-year).

COMPANY MEETINGS

Carliol Investment Trust, Newcastle upon Tyne, 12.15. Investment Trust of Guernsey, St. Peter Port, 2.30. Inveresk, Connaught Rooms, E.C., 12. Tyneside Investment Trust, Newcastle upon Tyne, 12.30. Woolworth (F. W.), Connaught Rooms, W.C., 11.45.

OPERA

English National Opera perform *Carmen*, Coliseum Theatre, W.C.2, 7 p.m.

SPORT

Swimming: Great Britain v Italy v Netherlands, Crystal Palace, 7 p.m.

COMPANY NEWS + COMMENT

Strikes help carve £17m. off Dunlop

A SLUMP in second half taxable earnings at **Dunlop Holdings** cut the total for 1977 by £17m. to *£57m. Sales were 7 per cent.* ahead from £1.28bn. to £1.36bn. with the U.K. content up 16 per *cent. at £537m. and direct exports* up 12 per cent. at £141m. Half-time profit was reported higher *at £31.6m. (£30m.).*

Full-time operating profit, down at £75m. (£83m.), was *unexpectedly reduced in the last* quarter largely by lost production due to industrial action in the U.K. factories *of both the com*pany and its customers in the motor industry.

*Over the year as a whole operat*ing profit from the tyre business in Europe and North America *was lower but there* was increased performance in most other parts of the group, the *directors say.*

On a current cost accounting basis the 1977 surplus was £20m. (£22m.) after additional depreciation of £26m. (£23m.), cost of sales of £26m. (£35m.) and a gearing adjustment of £18m. (£21m.).

The directors say that turnover continues to grow both at home and overseas but trading condi*tions for the tyre industry in* Europe remain very unfavourable in the current year.

Sir Campbell Fraser, the managing director, said later that industrial *action* in the U.K. factories had cost some £7m. in *operating profits and other dis*putes within components suppliers around £2m.

The U.K. tyre operations' contribution was slightly down at £9m. and the prospects of these interests in the U.K. for this year again looked depressed. There is excess capacity and, for the time being, little growth, he said.

The group was also facing stiff competition. So far in 1978, U.K. tyre profits were slightly down, but non-tyre interests in the home market had balanced out the shortfall, he added.

Stated earnings per 50p share *for the year* were 16p (23p) and a net final dividend of 2.65p lifts the total to 5.3p (4.55p).

Capital spending during the period amounted to £54m. (£43m.). Net assets employed grew to £718m. (£664m.) or £1.01bn. (£926m.) on a current cost basis, with two-thirds of the growth financed from internally *generated funds, a quarter by a* rights issue and the remainder from increased borrowing.

The group has earmarked some £75m. (£54m.) for investment this year with just over a third for the U.K. The emphasis for the *tyre operations would generally* be on modernisation rather than expansion, Sir Campbell ex*plained.*

An analysis of sales and operating profits by product in percentages shows: tyres 60 (61) and 33 (31): consumer goods 18 (same) and 10 (13): industrial products 13 (same) and 27 (23): *engineering products 6 (same)* and 11 (8): and plantations 3 (2) and 11 (5).

On a geographical basis the split was: U.K. 39 (36) and 40 (37): Europe 26 (27) and 3 (5): Americas 13 (14) and 17 (21): Africa 8 (9) and 12 (same): and Asia and Australasia 14 (same) and 28 (25).

At the attributable level the loss in France totalled £1.6m. (profit £200,000) and in Germany £700,000 (£1.2m.).

The share of associated companies was down, including investment income, at £12m. (£17m.) with lower results from Pirelli companies, when translated into sterling, and a substantial loss from International Synthetic Rubber Company.

The combined results of companies in the Dunlop Pirelli Union as they affect Dunlop members, excluding Industrie Pirelli, show *sales 5 per cent. up at £2.02bn.* (£1.92bn.) and taxable profit down at £100m. (£126m.).

	1977 £m.	1976 £m.
Sales	1,361	1,275
Operating profit†	75	83
Share assoc. and inv. inc.	12	17
Financing charges	30	28
Pre-tax profit	57	74
Tax	25	30
Net profit	32	44
To minorities	12	19
Attributable	20	25
Dividends	8	5
Retained	12	20

† After depreciation of £38m. (£37m.).

Three accounting changes, relating to deferred tax, consolidation of subsidiaries and currency translation, as contained in exposure drafts 19, 20 and 21, had negligible effect on the pre-*tax figure but mainly because of* the lower tax charge; there was an increase in attributable profits *of £4m. (£5m.) to £20m. (£25m.).*

The Rhodesian subsidiaries which were not consolidated, produced profits of £3m. (£4m.) of which £2m. (same) was attributable to the parent.

See Lex

HIGHLIGHTS

Dunlop has produced significantly lower profits for the year, reflecting strikes, the strength of *sterling* and a *general* squeeze on the tyre business. **Turner and Newall** is making a one-for-four rights issue at 152p to raise £32m. and the proceeds will be used to expand production capacity; no profits forecast has been given. Lex also takes a look at the profit-sharing provisions of the *Finance Bill. Elsewhere,* **Clive Discount** has turned in a healthy increase in profits but the hopes of substantial growth at **Hestair** has not materialised with profits only £¼m. higher. **Lead Industries** had already given the market notice that, despite a sharp setback at the *important associate, overall profits would be little changed* so there were few surprises in the outcome. **Harold Perry** has had a bumper year with profits 76 per cent. higher thanks to a strong growth trend in new vehicles where leasing has been a particular feature. Following the sharp growth last year **Martonair** has now produced a first-half gain of 48 per cent., while the overseas side has been the main prop at **John Mowlem.**

Procor (U.K.) shows growth

After a tax credit **Procor (U.K.)**, a wholly owned railway wagon hiring subsidiary of Trans Union Corporation of the U.S., expanded net profit for 1977 from £65,362 to £208,840 on sales and rental income of £3.76m. (£3.61m.). Again no dividend is to be paid.

At halfway, when there was a reduced loss of £14,000 (£129,000), the directors said they expected a generally improving trend would be maintained during the rest of the year.

Martonair ahead in first half

ON *TURNOVER* of £14.5m. for the six months to January 31, 1978, compared with £11.96m. pre-tax *profits of* ***Martonair International,*** pneumatic control equipment manufacturer, rose from £1.41m. to £2.09m.

The net interim dividend per 20p share is raised from 1.587p to 1.75p on capital increased by last year's rights issue—the 1976-77 final was 3.756p paid from record profits of £3.65m. In November, *1977, the directors said they* looked forward with confidence to a further improvement in per*formance in the coming year.*

Six month's tax takes £1.13m. (£0.82m.) and after minorities the amount attributable emerged at £0.96m. against £0.62m.

	Six months 1977-78 £000	1976-77 £000
Turnover	14,503	11,955
Pre-tax profit	2,085	1,405
Tax	1,131	818
Attributable	957	619

● comment

Martonair's continued profits growth in the first half—48.4 per cent. after a buoyant rise of 67 *per cent. last year — reflects* further improvement in overseas operations and rising demand at home. The volume of pneumatic control equipment sales rose some 12 to 13 per cent. with overseas turnover, which accounts for 78 per cent. of the total, up some 17 per cent. to £11m. Its operations in Europe—the main market—were also bolstered by the French subsidiary to breaking even and there is a prospect of a small profit for the year. However, it is at home that the group has recorded buoyant growth. A 33 per cent. rise in home sales to £3.5m. indicates an increase in market share which was achieved by having stocks readily available at its growing number of branches throughout the country. This represents a significant advantage since such equipment is usually required on short delivery basis. Martonair is looking for a slight gain in the second half, which may lift pre-tax profits for the full year by 22 per cent. to *£4.5m. The shares rose* 14p yesterday to 160p which gives a prospective p/e of 8.3 (fully taxed) and yield 5.6 per cent.

City Hotels tops £1m.

REPORTING its first annual results as a public company, City Hotels Group shows taxable earnings of £1,060,815 on turnover of *£6.18m. for the 52 weeks to* January 1, 1978. For the previous 53 weeks the surplus was £743,959 on sales of *£4.85m.* In addition a one-for-four scrip issue is proposed.

Half-time profit was £430,000, against £320,000, and the directors said that all divisions had increased turnover and profits and the trading position was encouraging.

Earnings per 20p share are *stated at 18.72p (16.71p) and a* net final dividend of 2.04p takes the total to 3.96p, marginally *ahead of the level forecast in the* prospectus published in June 1977. The directors anticipate maintaining the same rate of payment on the increased capital for the current year.

After tax of £606,496 (£418,188) the net balance came out at £463,319 (£325,771) and there were extraordinary credits this time of *£46,948.*

Marginal rise at J. Holt

TURNOVER FOR 1977 of **Joseph Holt**, the brewing and wine and spirit concern, rose from £2.8m. to £3.39m. and pre-tax profits *show a marginal increase from* £713,459 to £755,625 with £354,564, against £334,215, coming in the first half.

After tax of £355,091 (£377,000) full-year earnings are shown at 13.35p (11.22p) per 25p share and the dividend total is lifted from 1.9466p to 2.1742p net with a final of 1.5142p.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
City Hotels	2.64	—	—	3.96	—
Clayton Son and Co.	3.19	May 26	2.86	4.39	3.98
Clive Discount	2.77	—	3.17*	4.77	4.32*
Coral Leisure	3.25†	—	1.5*	6	4*
James Crean ...int.	3.09	July 11	2.76	—	8.45
Dunlop Holdings	2.65	—	2.6	5.3	4.55
Free State Geduld ...int.	130‡	June 9	90	—	240
Gen. Scottish Tst.	1.35	July 5	2	3.35	3
Hawker Marris	4.67	—	4.22	6.46	5.85
Hestair	4.15	July 4	3.85	6.26	5.67
Joseph Holt	1.51	—	1.3	2.17	1.95
Holyrood Rubber	26	June 20	19.81	33	24.33
Hongkong (Selangor)	5.94	—	4.21	7.26	4.55
Intere'p'n Prop. ...int.	0.75	July 1	0.1	—	0.1
Jersey Elec.	7	—	7	11	11
Leadenhall Sterling	2.43	Aug. 2	2.17	4.09	3.69
Lead Inds.	4.37	July 3	3.26	7.37	5.59
Leslie and Godwin	3.19	—	2.9	4.47	4.11
Le Vallonet Inv.	2.13§	—	1.5	2.13	1.5
Lon. & Holyrood Tst.	2.5	July 28	2.2	3.6	3.2
Ldn. & Prov.	2.3	July 28	2	3.4	3
Martonair Int. ...int.	1.75†	May 18	1.59	—	5.34
MTD Mangula ...int.	8‡	June 19	8	—	14
John Mowlem	5†	July 1	3.25*	6.5	3.25*
Owen Owen	2.24	—	2.01	2.86	2.59
H. Perry Motors	2.91	July 3	2.65	5.38	4.86
President Brand ...int.	85‡	June 9	70	—	130
President Steyn ...int.	30‡	June 9	10	—	20
Scottish Mort.	2.1	June 22	2.1	3.3	3
Selection Trust	11.9	June 19	11.72	11.14	16.72
Viking Res.	1.1	June 30	0.9	1.1	0.9
Wadkin	3.99	June 3	3.43	5.86	5.3
Welkom Gold ...int.	25‡	June 9	7.5	—	35
Western Holdings ...int.	190‡	June 9	140	—	280
Wilson (Connolly)	1.25	July 3	1.12	2.5	2.23

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ South African cents. § For 17 months, gross throughout. ¶ For nine months.

J. Mowlem advances to record £6.1m.

WITH A sharp rise in associate contributions from £0.52m. to £1.68m., pre-tax profit of John Mowlem and Co., the construction group, expanded from £4.25m. to a record £6.13m. for 1977, on turnover up £25.32m. at £145.55m.

In October, the directors said that *second half profit should be* in line with the midway figure of £2.75m. (£1.88m.) then reported.

However, this forecast was made prior to *the acquisition of the* McTay Companies and therefore, did not take into account an eight-*month contribution from these,* which was expected to be "useful."

After tax of £3.06m. (£2.26m.) stated full year earnings rose from 15.27p to 20.39p per 25p share. As forecast, a final dividend of 5p raises the total on increased capital to 6.5p (adjusted 3.251686p).

	1977 £000	1976 £000
Turnover	145,552	120,231
Depreciation	1,683	1,339
Bank and loan interest	143	114
Net rental income	179	90
Interest receivable	995	1,236
Quoted investment income	191	42
Share of assocs.	1,677	522
Profit before tax	6,125	4,251
Tax	3,058	2,264
Net profit	3,067	1,987
Retained	2,690	1,563

The directors report that U.K. margins are likely to be affected by past and present Government cutbacks and by bad weather in 1978. Overseas current margins are satisfactory, but competition *from Far Eastern contractors is* growing.

● comment

More than a third of John Mowlem's 44 per cent. profits rise comes from the McTay acquisition. But that still leaves healthy growth of more than a quarter for the full year and this comes from overseas, where the contribution to group turnover has risen from a quarter to around 30 per cent. The Middle East is starting to provide good profits from a number of general construction projects while East Africa—as a result of a number of sugar factory contracts, dams and roads—continues to shine. There was also an exceptional contribution from Australia, where reconstruction work at Darwin has boosted the associate's share three-fold. *Overseas markets also provided* growth for the engineering products division. Meanwhile the U.K. construction activities, which has had more than its fair share of recession, managed to hold its own with past contracts still coming through, but margins are becoming tighter. Increasing competition in overseas markets *will also make things more diffi*cult but with a strong balance sheet, Mowlem is well placed to ride out difficult times. The shares, at 129p, are on a p/e of 6 while the yield is 7.9 per cent.

RCM ATTEMPTS TO CUT COSTS

The 51 per cent. state-owned **Roan Consolidated Mines**, one of Zambia's two major copper producers, has announced a cutback in the rate of development at its *Luanshya division,* ***reports Michael*** **Holman from Lusaka.**

Poor ground conditions requiring costly support have made mining the thin orebody uneconomic. The cutback will reduce Luanshya's 10,000 labour force by 900 workers, who will be redeployed at other divisions of RCM.

ISSUE NEWS

Turner and Newall £32m. rights

Turner and Newall is proposing to make a rights to raise £32m. on the basis of 1-for-4 at a price of 152p per share. Dealings are expected to commence (nil-paid) on Wednesday, 26 April. The issue has been underwritten by J. Henry Schroder Wagg and Co., while the brokers are Hoare Govett and Henry Cooke, Lumsden and Co. The share closed yesterday at 171p down 17p.

The board considers that the *group's longer-term plans, in par*ticular those for capital expenditure in the U.K. and overseas, *require a strengthening of the* equity base. U.K. capital expenditure during 1977 at £16.3m. was *some 70 per cent. higher than that* of 1976 and that planned fo[r] is over £25m., largely for th[e] [pur]pose of expanding prod[uction] capacity.

The board feels that it [is] early to make a profit foreca[st for] the current year. Trading t[o] has been disappointing in [com]parison with the similar per[iod] last year. Improvement [will] largely depend on eco[nomic] activity worldwide, particula[rly] the U.K. The directors exp[ect to] recommend total *dividends o[f]* net per share for the year e[nding] December 31, 1978. This is e[quiva]lent to *17.42p gross* and [would] represent an increase of abo[ut] per cent. over the 1977 divid[end].

See Lex

Owen Owen ahead after better second half

AFTER INCURRING a larger midway deficit of £581,000 against £203,000, an improved performance in the second half enabled Owen Owen, departmental store operator, to finish the *year to January 28, 1978,* with taxable profit ahead from £2,203,000 to £2,255,000. Sales were a little better at £86.72m. compared with £85.88m.

At the interim stage, the directors said that there had been some *improvement* in both U.K. and Canadian sales since July and given a continuing improvement in the trading climate, the second half should produce the tradi*tionally more satisfactory results.*

In the U.K., stores sales increased by 8 per cent. and profit before tax by 12.8 per cent. over the year, reflecting a strong recovery in the concluding months. The results at Plumb Contracts, the shopfitting subsidiary, again showed improvement, say the directors.

The Canadian contribution in a difficult trading year was also *affected* by the 25 per cent. appreciation in the sterling/dollar exchange rate. Thus, a dollar sales increase of 8 per cent. and a profit decrease of 9 per cent. were turned into sterling decreases of 13 per cent. and 27 per cent. re*spectively.*

Yearly earnings are given as 10.03p (9.96p) per 25p share and the dividend total is lifted to the maximum permitted 2.8574p (2.589p) net, with a final of 2.2394p.

After tax of *£1,227,000* (£1,176,000), extraordinary items and minorities, attributable profit *dropped* from £1,130,000 to £889,000.

Nu-Swift Industries

Mr. Ivan Dorr, the chairman of Nu-Swift Industries, which makes *fire extinguishers, etc., says in his* annual statement that there is every reason to expect an improved performance in th[e cur]rent year.

In cash resources the co[mpany] remains strong, he tells me[mbers,] and well able to finance f[urther] expansion. Higher prod[uction] levels *have been fixed an[d the]* order book stood at £916,[000 at] the start of the year, m[uch of] which is scheduled for de[livery] before July.

Collective order intake [in] the first two months of 197[8 was] *18 per cent. ahead of last* but raw material price rise[s] cause concern.

As reported on March 9, [pre-]tax profits fell from £0.93[m. to] £0.91m. in 1977 on turno[ver of] £8.99m. (£7.71m.).

Current cost adjusted acc[ounts] *show pre-tax profits of £6[...]* (£633,000).

Meeting, Savoy Hotel on M[ay ...] at 3 p.m.

Hawker Marris doubles to peak £0.27m.

Pre-tax profit of Hawker M[arris,] tableware manufacturing g[roup,] more than doubled from £1[...] to a record £266,233 for 19[77, on] turnover ahead from £3.17[m. to] £3.84m.

At *half-time,* the dir[ectors] reported profits up from £[...] to £120,184 and said that [the] current position of home [and] export order books was good [and] they expected that profits fo[r the] full year would be substan[tially] above those for 1976.

The year's profit was s[truck] after interest of £83,699 ag[ainst] *£95,970 and included profit [on dis]*posal of surplus tooling £[...] (nil).

After tax *£72,173* (£15,144) [earn]ings are shown as 39.1p (2[...]) per 25p share and the divide[nd is] lifted to 6.46p (5.85p) with a [final] net payment of *4.67p.* [The] amount retained emerged [at] £161,990 (£86,799).

Hestair improves by 6% to £4m.

ON TURNOVER up by 6.7 per cent. to £57.05m., pre-tax profits of Hestair rose by 6.1 per cent. from £4.02m. to £4.26m. for the year to January 31, 1978.

In September, reporting a first half increase from £1.66m. to £1.8m., the directors said they were confident that the year's results would represent another substantial stride forward.

They now point out that the comparative results have been affected by the disposal of Johnsons of Hendon and Mulder en Zoon which were sold towards the end of 1976-77 and by the acquisition of PB Bettinson and Root Harvesters during 1977-78. The results of companies operating during both years show sales up 22 per cent. and profits up 14 per cent.

Exports increased 58 per cent. during the year to £19.9m. and net tangible assets 47 per cent. to £11.4m. and now represent 78p per share.

With tax on the ED19 basis of £475,000 (£702,000) full year earnings are shown at 26.5p (26.4p) per 25p share. Adjusted to reflect a standard tax charge they would be 14.3p (15.4p).

The dividend total is lifted from 5.6655p to 6.2618p net with a final of 4.1498p.

	1977-78	1976-77
	£000	£000
Turnover	57,053	53,437
Profit before tax	4,263	4,016
Tax	475	702
To minorities	60	115
Earnings	3,725	3,199
Dividends	923	729
Extraord. debits	545	1,204
Defd. tax	1,185	—
To reduce goodwill	2,468	933
Retained	1,034	333

● comment

The interim hopes at Hestair of "another substantial stride forward" have not been realised. The special vehicle division suffered from strikes at suppliers while demand for toys was below expectations and sales of farm equipment came to a halt in the last three months as prices of certain foods, especially potatoes, slumped. Best prospects for the current year are consumer products and the consistently successful employment agency; the engineering side is much less predictable. As usual, plenty of the action takes place below the line with 0.5m. of write offs for a re-organisation, a sale and a revaluation.

The yield at 108p is 9.1 per cent

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

Interims—Ben Bailey Construction, J. Hepworth, Lowland Investment, U.U. Textiles.

Finals—R. H. Cole, I. and J. Hyman, Liberty, Liden, Lowland Drapery, Mentmore Manufacturing, Pearson Longman, S. Pearson, Rush and Tompkins, Francis Shaw, Tehidy Minerals, Youghal Carpets.

FUTURE DATES

Interims—

Casket (S.) ... May 8

Finals—

Amalgamated Power Engineering	Apr. 27
Anchor Chemical	Apr. 28
Averys	May 5
Border Breweries (Wrexham)	Apr. 26
Channel Island and Int. Inv. Tst.	Apr. 25
Estate Duties Investment Trust	Apr. 25
Evered	Apr. 24
Gerrard and National Discount	Apr. 28
L.K. Industrial Investments	Apr 26
Prince of Wales Hotels	Apr. 28
Silhouette (London)	Apr 28
Southern Constructions	†May 4
Tozer Kemsley and Millbourn	Apr. 25

† Amended.

Jersey Electricity

Excluding extraordinary items, net revenue of Jersey Electricity Co. rose from £832,280 to £1,173,272 in the year to January 1, 1978, subject to tax of £276,710 against £201,802.

The dividend total is held at 11p with a final of 7p per £1 share.

First half advance by Jas. Crean

REPORTING PRE-TAX profits for the six months to end 1977 up from £303,000 to £651,000, Mr. D. McCullough the chairman of James Crean says that trading since December has continued to be satisfactory and full-year profits are expected to improve on last year's £1.13m.

First half earnings are shown to be ahead from 6.77p to 8.42p per 50p share and the interim dividend is raised from 2.7625p to 3.0875p net. Last year's final was 5.6875p.

	Six months 1977	1976
	£000	£000
Turnover	10,592	8,368
Profit before tax	651	503
Tax	313	246
Net profit	338	257
To minorities	29	24
Attributable	309	233
Ordinary dividend	112	95
Preference dividend	1	1

The results for the 1976 six months did not include any contribution from the Eltham Welding Supplies group which was acquired in May 1977.

Mr. McCullough states that each of the companies in the group has shown a sound and steady improvement during the half-year. Eltham Welding Supplies, has performed satisfactorily; the electrical products division has maintained its growth, both in Ireland and the U.K.; and the Savage Smyth group has improved on its profits despite vigorous competition in the soft drinks, stout and beer markets.

Tubes moves up-market

Tube Investments is continuing its move towards higher added-value products as an important element of its response to economic and competitive conditions, Mr. B. S. Kellett, the chairman, says in his annual statement.

He points out that many of the group's products are made from steel, which in its simpler forms is a highly price-competitive commodity and in world markets is particularly sensitive to exchange rate movements.

More stable markets and better opportunities are to be found by moving towards more sophisticated and higher added-value products where design, performance, quality and delivery matter as much as price.

An example of successful development in this direction in 1977 was the range of numerically controlled turning and high production gear processing machines launched by TI Churchill. Substantial orders have been taken from among others, Ford in Europe and some large U.S. customers.

Mr. Kellett sees the selling of more of its products overseas and the exploitation of TI's technical and other strengths in world markets as prime business strategies.

He says the taking by the Raleigh team of the Tour de France team prize will assist its efforts to penetrate European markets with other group products.

It has also begun construction of a $20m. plant for the manufacture of high pressure gas cylinders.

It will equip the group to penetrate the important U.S. market in a way experience indicates is impossible by direct export from the U.K. Also, the new plant will draw for a considerable time on U.K. factories for part-processed products, he says.

As reported, TI's profit increased from £49.6m. to £55.2m. in 1977. A current cost statement shows profit cut to £19.2m.

Additional depreciation takes £15.8m., the cost of sales adjustment £17.3m., while inflation adjusted associate profits fall from £8.1m. to £3.9m., and the share from British Aluminium is reduced £7m. to £4.8m. The gearing adjustment offsets £6.3m. of this.

At balance date, fixed assets of the group were £131.3m. (£123.9m.), while current assets were up from £371.1m. to £428.2m. Of this figure, stocks account for £227.2m. (£198.3m.), with the strike at Raleigh last year and somewhat disappointing sales in the final weeks of 1977 responsible for the build-up. Action has been taken to bring stocks and working capital into better alignment with current sales requirements.

Short-term deposits also jumped from £0.8m. to £8.6m., and bank balances and cash leapt £8.5m. to £12.9m.

Current liabilities at the same time rose only £5.4m. to £197.5m., with overdrafts down from £34.1m. to £23.4m.

Deferred tax of £53m. has been transferred to reserves, taking these to £268.3m.

Capital expenditures last year rose £5.5m. to £27.4m. and it is expected that the current momentum of capital expenditure in the U.K. will be at least maintained. Additionally, the $20m. U.S. project is going ahead.

Harold Perry jumps 75% to £2.77m.

GROUP SALES for 1977 of Harold Perry Motors expanded from £51.64m. to £67.33m., and pre-tax profits jumped by 75 per cent. from £1.58m. to a record £2.77m.

In September, reporting first half profits up from £0.82m. to £1.49m., the directors forecast that 1977 would produce the best results in the group's history.

Full year earnings are shown at 62.9p (35.5p) per 25p share and the dividend total is raised from 4.86p to 5.383p net with a final of 2.913p. A one-for-one scrip issue is also proposed.

	1977	1976
	£000	£000
Group sales	67,331	51,641
Profit before tax	2,774	1,578
Tax	210	—
Net profit	2,564	1,578
Tax credit prior years	273	25
Surplus on prop. disposal	2	76
Making	2,839	1,679
Interim dividends	111	100
Proposed final	131	119
To reserves	2,597	1,460

Mr. J. F. Macgregor, the chairman, now says that better profit margins due to short supply and recurrent price increases lifted new vehicle profits by 70 per cent. on unit sales up by 3.5 per cent.

However, a 37 per cent. profit rise from all other activities which yield 57 per cent. of the total proved that the planned growth of the group's wider profit base was continuing. With a changed policy for dealing with deferred tax yearly profits are reduced by only the amount likely to be payable in the foreseeable future and the provision of £2,115,000 accumulated to end-1976 will be treated as retained profits.

First quarter profits in 1978 of £1.1m., compared with £606,000 last year, and reflect substantial increase in new car sales volume with good results from most other activities. The motor industry's forecasts of increased 1978 demand for cars and commercial vehicles and the continuing dominance of the entire Ford product range, further strengthened by the new Transit Van and Capri, make prospects for the rest of 1978 look good.

● comment

The good times continue to roll at Perry with the 76 per cent. rise in pre-tax profits surpassing outside forecasts. The shares jumped 9p to 184p yesterday. As a main Ford dealer, unit sales growth was restricted to 3.5 per cent. due to short supply but the resultatnt rise of 1.1 point to 4.2 per cent. in profit margins coupled with recurrent price increases raised new vehicle profits by some 70 per cent. Commercial vehicle business staged a slow recovery from the 1976 low and should pick up further this year though Ford's recent change to the new Transit Van range has landed the group in a medium range market where Ford's share amounts to some 40 per cent. All other activities accounting for 57 per cent. of group earnings showed a 37 per cent. profit rise with vehicle leasing and self drive hire reporting strong growth. Having overtaken contract hire, vehile leasing—boosted b ythe 100 per cent. first year allowance for leased vehicles—has emerged as one of the fastest growth areas. With first quarter profits this year already 81 per cent. higher and the industry forecasting increased demand for both cars and commercial vehicles, 1978 promises to be another good year fo rPerry. The shres yield 4.5 per cent. and a p/e of 2.9 (on a sub-normal tax charge).

Leslie & Godwin just ahead

AS INDICATED last week, when the offer from Frank B. Hall was announced, pre-tax profits of Leslie & Godwin (Holdings) were marginally higher at £4.13m. for 1977, compared with £4.07m. last time which was struck after abnormal items of £0.87m.

Earnings are shown at 9.419p (9.416p) per 10p share and the dividend total is lifted from 4.10919p to 4.471065p net with a final of 3.187732p.

Clive Discount up to £2.12m.

AFTER PROVIDING for rebate and tax and transfer to contingencies reserve, consolidated profit of Clive Discount Holdings expanded from £1.32m. to £2.12m. for the year to March 31, 1978.

A transfer has been made to capital reserve of £471,000 (£500,000). The final dividend is 2.7748p net per 20p share, effectively raising the total from 4.32375p to the maximum permitted 4.7748p net.

Should dividend restraint change before September 1978, the Board will consider a special interim payment. A capitalisation of one Preference share for every thirty Ordinary shares is proposed.

Shareholders' funds at the year end amounted to £7.23m. (£5.8m.), and total assets of the group to £400m. (£235m.).

● comment

For the second year running Clive Discount, the youngest London discount house, has turned in a healthy increase in profits. At the start of the group's year MLR stood at 9½ per cent. and it fell to 5 per cent. before recovering to 6½ per cent. Helped by big capital profits on its gilts books, which amounted to more than £70m. at one stage, Clive's disclosed profits are 60 per cent. ahead and apart from the maximum permitted increase in the dividend the group has decided to issue cumulative preference shares as a bonus for shareholders at the rate of one for every 30 ordinary shares held. The coupon should be fixed next month. Shareholders funds have risen by £1.4m. and the total assets of the group at the end of March were 70 per cent. higher. In the current year the prospects for sizeable capital profits are less certain but the combination of a larger book and reasonable running yields should cushion the loss of profits from gilts. At 75p, the shares yield 9.6 per cent.

Peak £0.64m. by Leadenhall Sterling

A rise in second half profit from £293,000 to £351,000 meant that Leadenhall Sterling ended 1977 with a peak £644,000 pre-tax, compared with £511,000 last time. Turnover advanced from £5.22m. to £6.56m.

At the interim stage, the directors said they expected second half profit to show an improvement over the figure of £293,000 (£218,000) then announced.

In the latter half, the company increased its interests in the supply of optical and scientific equipment by the acquisition of Newbold and Bulford and Charles Frank. However, their contribution to 1977 group profit was not material.

Present indications are that the group's progress will be maintained in 1978, say the directors, with the added benefit of a satisfactory contribution from the recent acquisitions.

After tax of £269,000 (£189,000), which was reduced by some £80,000 by the utilisation of tax losses brought forward, net profit for the year was £375,000 (£322,000).

Stated earnings increased from 15.8p to 18.4p per 25p share and as forecast, a final dividend of 2.4256p net makes the maximum permitted 4.0836p (3.6914p) total, costing £83,169 (£75,143).

The company is a subsidiary of the British and Commonwealth Shipping Company.

CLIFFORDS DAIRIES

Clifford's Dairies proposes to repay its outstanding 7½ per cent. Debenture Stock 1986/91 at £90 per cent. together with interest accrued to the date of repayment.

Wilson Connolly 44% higher at £2.65m.

AFTER RISING from £0.8m. to £1.18m. in the first half, pre-tax profits of Wilson (Connolly) Holdings finished 1977 ahead from £1.85m. to £2.65m. on turnover of £17.34m. compared with £12.21m.

Earnings are shown at 25.5p (18.2p) per 25p share basic and 23.3p (17.1p) full diluted. If the relevant deferred tax was not payable basic earnings would be 42.1p.

The final dividend is 1.248p net for a 2.495p (2.234p) total.

	1977	1976
	£	£
Sales turnover	16,818,000	11,721,000
Rental turnover	525,000	488,000
Total turnover	17,343,000	12,209,000
Profit before tax	2,651,490	1,845,280
Tax	1,346,779	925,533
Net profit	1,304,711	919,747
Pref. dividends	33,921	13,691
Interim Ord.	59,098	55,824
Final proposed	59,238	55,834
Retained	1,152,454	794,393

Mr. J. A. Leavey, the chairman, says that despite another generally depressing year for the building industry pre-tax profits rose by 44 per cent. There was a further reduction in net indebtedness and the group started the current year with ample scope and resources for further expansion.

Housing again made the major contribution in 1977. Some 35 sites were in the course of development and a new venture in Felixstowe became profit earning.

Land was acquired to sustain existing areas and project activities into new locations. The land bank stood at about 5,000 plots at the year end worth about £1m. more than book value. Housing profits were 25 per cent. higher.

Property operations also had a good year with trading and capital profits up by 200 per cent.

The contracts division which began the year with some apprehension, won a number of valuable outside contracts for factories and warehouses in a very thin market. By the year-end there were contracts in the pipeline totalling £2m. and these have since risen to £4m.

On the current year, Mr. Leavey says that in spite of mortgage restraints there seems to be a feeling that things are looking up. To forecast is, however, hazardous and the group's commitment is simply to try to grow in real terms.

Coral Leisure expands £8.42m.

IN LINE with the forecast last January at the time of the offer for Pontin's, pre-tax profits of Coral Leisure Group for the 52 weeks to December 29, 1977, rose from £10.12m. to a record £18.54m., on turnover ahead from £161.16m. to £216.79m., after a mid-term rise from £4.01m. to £7.59m.

The directors state that trading results to date, including those of Centre Hotels and Pontin's are satisfactory and prospects for the full year are encouraging. However, due to the seasonal nature of trading in Pontin's and to a lesser extent in Centre, they say it is probable that the first half will, in future, show significantly lower profitability than the second half as compared with the experience of previous accounting years.

While, to reflect general economic circumstances, some caution is appropriate, the group is now better placed than ever before to take advantage of trading opportunities arising across a much broader spectrum of the leisure market.

On increased capital from a rights and scrip issue earnings per 10p share are shown to be up from 11.56p to 17.04p and the dividend is effectively raised from 4p to 6p net with a final of 3.25p.

Factors contributing to the increased profit included a higher contribution from the casino division and profits arising following the acquisition of Centre Hotels (Cranston) in the second quarter of 1977. Other improvements arose in the bingo and greyhound racing divisions, both of which had the benefit of a first full year's trading from acquisitions made in the summer of 1976.

Profits from the bookmaking division, while higher than the previous year, were less than had been hoped for due to the increase in turnover during most of the year not covering the increase in costs, the directors state.

An analysis of turnover and trading profit shows: bingo £4.80m. (£3.05m.) and £1.21m. (£0.72m.); bookmaking £160.85m. (£141.28m.) and £3.92m. (£3.54m.); casino, £26.03m. (£15.13m.) and £11.32m. (£5.94m.); greyhound £1.94m. (£0.58m.) and £0.26m. (£72,000); other activities £1.42m. (£1.11m.) and £0.69m. (£0.55m.). Hotel turnover £21.65m. (U.K. £20.1m. and Europe £1.55m.) and trading profit of £3.55m. are included for nine months only. Group overheads took £0.95m. (£0.59m.) and interest £1.66m. (£0.12m.).

The directors say that developments during 1977 included the transfer and upgrading of a number of licensed betting offices; the acquisition of two provincial casinos and the further development of the squash and bingo divisions.

The recommended offer for the whole of the issued share capital of Pontin's made on February 6, 1978, became unconditional on March 15 and acceptances totalling in excess of 96 per cent. have been received to date. The offer comprised an issue of Coral shares and cash. The cash element amounting to some £17.4m. was provided by the company's bankers by way of medium-term loans, the directors state.

Arrangements are in band for the restructuring of the group's present borrowings with the intention of bringing current and medium to longer term funding requirements in line with the group's corporate plan.

In the current year the bookmaking division has acquired a further 30 licensed betting offices while the hotel division has authorised a 50 bedroom extension to the Portsmouth Centre Hotel.

	1977	†1976
	£'000	£'000
Turnover	216,789	161,156
Trading profit	20,185	10,243
Interest payable	1,655	118
Pre-tax profit	18,540	10,125
Tax	8,307	5,023
Net profit	10,233	5,102
Minorities	789	567
Dividends	3,155	1,524
Leaving	6,289	3,011
Brought forward	11,668	8,657
Making	17,957	11,668

†Adjusted on ED 19 accounting basis.

The group's balance-sheet as at December 29, 1977, shows total assets at £81.42m. (£34.27m.) and net assets at £43.35m. (£20.63m.). Shareholders' funds were up from £17.19m. to £36.81m.

Shell Transport chief on alternative energy

IN HIS FOREWORD to the 1977 annual report, Mr. C. C. Pocock, the chairman of Shell Transport and Trading Company says that the length of the gap between spending and earning in energy *development emphasises the need* for governments to establish satisfactory conditions for long-term investment and to adhere to them.

The ability of Shell companies to provide not simply a financial interest, but the integrated management of complex international undertakings, is a major asset in a world where governments' *involvement in the energy* business is leading them to seek expert partners.

He tells members that there is no question of oil running out in the foreseeable future but the point at issue is how it should be used.

Oil, he says, has special properties and advantages which make it suitable for transportation purposes and chemical feedstocks.

For "base load" uses, such as electricity generation, "we have to look to different sources of energy, primarily coal and nuclear. If we can achieve this, there is no reason why there should not be sufficient oil for appropriate purposes well into the next century."

The chairman points out that this means that alternative sources of energy must be developed now if they are to be ready when they are required and so release oil for its prime uses. "Governments must set policy objectives and create the conditions under which industry can play its part in meeting them."

Shell has a growing interest in the other forms of energy, says Mr. Pocock. In particular, it aims to play a significant part in developing an international coal trade, having acquired substantial holdings in coal production ventures and with its trading volumes rising.

As reported on March 10 pre-tax profits of the Royal Dutch/Shell Group finished 1977 ahead from £1.23bn. to £1.34bn. despite a downturn from £500m. to £288m. in the final quarter. Shell Transport's share of the profits is *£505m. (£451m.).*

A geographical analysis of net income—£1.34m. against £1.23m.—shows:—Europe £187m. (£368m.); Far East and Australasia £417m. (£371m.); other Eastern hemisphere and Africa £138m. (£220m.); U.S. £420m. (£280m.); other Western hemisphere £174m. (£214m.); unallocated loss £123m. (£187m. loss); and eliminations *£127m. profit (£35m. loss).*

Mr. Pocock says the performance of Royal Dutch/Shell Group companies stood up well taking 1977 as a whole but as the year went by the results increasingly reflected the general weakness of demand arising from the disappointing state of most of the world's economies.

The year began with higher *crude oil costs imposed by oil*-exporting countries but increased competition, and government price controls in some countries prevented full recovery from the market. Shell companies also felt *the effect of the OPEC two-tier* system that prevailed during the first half of the year, under which they were less favourably placed than some of their major competitors.

*The effect on margins was par*ticularly serious in Europe and the situation was aggravated by sluggish demand, the continuing oil supply surplus and excess refining and tanekr capacity.

One of the highlights was the continued development of North Sea oil and gas reserves. Expenditure continued at a high rate and although in 1977 the volumes of oil brought ashore from Shell-managed operations were comparatively ysmall, 1978 should see a considerable increase in the flow.

Royal Dutch Shell detects signs of an improvement in its margins on oil and chemicals business in the first quarter of 1978, Mr. Dirk De Bruyne, president of the managing board of Royal Dutch Petroleum Co. told a Press briefing. Sales prices show signs of improving from the low point reached in the final quarter of 1977.

The company nevertheless expects overcapacity of oil supplies, and refining and transport capacity to continue until the mid-1980s. *It does not expect to* use more than 65 per cent. of the capacity of its Rotterdam refinery, which is the largest in the group, this year.

Mr. Karel Swart, managing board member with responsibility for research, said industries rather than countries have a "locomotive" function in the world economy. The oil industry *has been an important stimulus* to other industries but "the locomotive is losing steam," he said.

This is reflected in the decline in applications for patents in many areas of research, particularly from Japan. The tougher health and environmental demands now made mean a company often has only a few years to recoup its investment under *the protection of a patent.*

Meeting of Shell Transport, Shell Centre SE on May 18 at 11.30 a.m.

Esso to spend more in N. Sea

DR. AUSTIN Pearce, the chairman of Esso Petroleum Company, says in his annual statement that the company is already committed to major investments totalling almost £1bn., in completing the programmes in the North Sea and that plans for the continuation of existing development activity indicate that the Esso commitment to the North Sea will be in *the order of £2bn. by the mid*-1980s. New projects associated with existing discoveries which currently have no approved development plans could bring this total to over £3bn.

He says the company, as an integral part of the U.K. energy industry, faces a future in which the pressures of national and international politics will weigh *still more on the oil industry, as* the only major energy source not under direct Government ownership.

The outlook for the market remains difficult, he says, with continuing competitive pressure caused by surplus capacity in all sectors. Substantial investment downstream *investments* are in train to adapt the production and distribution *system: investments,* he adds, which are the result of company decisions based on customers needs and on improved efficiency.

Dr. Pearce states that for Esso, "our continued *commitment to* Britain on a massive scale, gives us a good chance of success," provided, he adds, that the company remains responsive to customer needs, and that Government controls do not, "stifle the initiative and drive we require."

As is known pre-tax profits for 1977 rose from £68.5m. to £83.74m. and after an extraordinary credit of £53.88m. for the year compared with a debit of £45.97m. profit came out at £94.43m. against a loss of £12.73m. On a CCA basis net profit is shown as £15.5m. against an historic £40.55m.

Commenting on the year's results Dr. Pearce says that surplus *capacity in al phases of the com*pany's business and the availability of gas priced on a different basis to other fuels, helped to create the difficult market situation.

Group capital expenditure in 1977 amounted to £383.5m. including North Sea investments. Total assets at the year end were £1.33bn. (£1.31bn.) and in addition the group had capital commitments and capital expenditures additionally authorised to the amount of £934m. The financing requirements for this ongoing and substantial capital expenditure *programme exceeds funds,* the chairman says, and has been largely covered by loans raised outside the U.K.

Though the great bulk of capital expenditure continued to be made in North Sea development, £23.1m. was spent in downstream transportation, refining and distribution investment in 1977.

*Esso is a wholly-owned sub*sidiary of Exxon Corporation of the U.S.

Income drop for Viking Resources

After interest and expenses of £284,039 against £295,137, pre-tax income of Viking Resources Trust fell from £253,879 to £227,206 for the year to March 31, 1978.

Tax takes £74,420 (£139,984) to leave stated earnings ahead from 1.14p to 1.53p per 25p share. The *dividend is stepped up to 1.1p* (0.9p) net.

Net asset value is shown at 116.61p (103.22p) per share.

Increase at London & Holyrood

Gross income for the year to March 31, 1978 at London and Holyrood Trust increased from £1.33m. to £1.44m.

With management expenses absorbing £67,848 (£61,331), interest £49,458 (£50,239), and tax £505,650 (£479,240), revenue available to Ordinary shareholders is ahead from £700,883 to £781,655.

Earnings are shown at 3.59p *(3.22p) per 25p share and the* dividend *total* is lifted from 3.2p to 3.6p net with a final of 2.5p.

The net asset value stood at 148p (135p) per share at the year-end.

Poor start to tough year for Ocean Transport

THE YEAR has not started well and 1978 will not be an easy one for Ocean Transport and Trading, Sir Lindsay Alexander, the chairman, says in his annual review. Gross congestion in Apapa, the *major trading port in its West* African trades, has virtually brought that port to a standstill for several weeks, he adds.

The prosperity of shipping depends primarily on the growth and prosperity of world trade. However, hopes of return to relatively high growth rates continue to be deferred and the directors expect any improvement in world trade *during the current year* to be modest, he says.

In the company's general shipping environment, excess tonnage on a massive scale in tankers has spilled over into the bulk trades, both of which are *now very un*profitable and likely to remain so for some years to come.

This has also wrecked the market for second hand ships whose value has fallen to "bargain basement" levels.

The greatest danger to the future profitability of world shipping industry is the huge excess of world shipbuilding capacity, now capable of building more than twice the number of ships the world can absorb in the next two or three years, he says.

The group is still largely a broadly based deep-sea shipping company, strong in liner trades both directly and through overseas containers (OCL) and with a relatively modest commitment to bulk trades, Sir Lindsay points out.

The fall in participation in OCL was due to the introduction of new trades so that Ocean has not divested but has merely accepted, as had been long planned, a smaller share of a correspondingly larger pool of trades.

"We can be assured that our *liner interests* are a sound, long-term investment which we can expect to yield satisfactory profits in future years as it has in the past," he states.

Even so the company no longer relies wholly on its traditional maritime interests as a source of profit, Sir Lindsay adds. Straits Steamships, for example, is now quite widely diversified in *South East Asia* and the *holding* should grow in value both as a profit earner and as a currency and inflation hedge.

In Ocean Inchcape the group also has an interprise of growing importance in the growth area of world-wide offshore oil exploration and production while in Ocean Cory it has a number of promising activities largely unconnected with the ups-and-downs of the shipping cycle, he points out.

As reported on April 4 group pre-tax profit for 1977 fell from a record £41m. to £49m. on turn*over of £459m. (£382.7m.). The* net dividend total is lifted from 7.331p to 8.2471p per 25p share.

At year end bank loans and overdrafts were higher at £8.41m. (£4.69m.) and short term loans at £27.53m. (£16.39m.) and short term deposits stood at £32.37m. (£47.86m.) and bank balances and cash £8.82m. (£16.19m.).

Capital commitments amounted to £91.36m. (£24.15m.) of which £329,000 (£137,000) had been authorised but not contracted.

The directors underestemiated the continued stagnation in world trade and its effects on some of the group's maritime businesses *in 1977. Added to this, profits* were also hit by the fall in the value of the U.S. dollar, the chairman says.

Scottish Mortgage slips

Marginally lower taxable revenue of £4,311,562 against £4,354,645, is reported by Scottish Mortgage and Trust Co. for the year to March 31, 1978.

Gross investment income was £5.34m. (£5.39m.) and net asset value at year end stood at 140.3p (139.2p) per 25p share.

Earnings per share are s[…] higher at 3.24p (3.18p) and [a] final dividend of 2.1p lifts total to 3.3p (3p).

Wadkin slips in second hal[f]

PRE-TAX PROFIT of Wadki[n] *woodworking* machinery [and] machine tools concern, slightly ahead at £1.76m. fo[r] *1977* year compared with £[…] on sales up from £15.83m. [to] £19.99m.

At half time profit was […] £0.81m. against £0.71m. an[d] directors said it was antici[pated] that output for the second [half] would be maintained at no [less] than the current levels and the improved efficiency [would] assist overall profit margins [. The] years profit was struck [after] deducting associated comp[any] loss of £14,000 compared [with] a £9,000 profit in 1976.

Earnings per 50p share shown as 36.56p (36.14p) b[efore] tax and 25.6p (31.47p) afte[r]. The dividend is lifted to […] (5.3p) net with a final of 3[…].

The directors state tha[t] accounting policy has [been] changed on the ED 19 basi[s] that comparative figures for […] have been restated.

	1977 £000
Sales	19,991
Home	10,934
Overseas	9,057
Associates' loss	14
Profit before tax	1,755
Tax	525
Corporation tax	668
Deferred credit	119
Adjustments†	39
Net profit	1,230
Minorities' loss	—
Attributable	1,230
Interim dividend	99
Final dividend	191
To reserves	940

* Profit. † Relating to prior y[ear].

INVESTMENT TRUST COMPANIES

The information in the columns below is supplied by the companies named, which are members of The Associatio n of Investment Trust Companies. The figures, which are in pence except where otherwise stated, are unaudited.

Total Assets *less current liabilities* ♦(1) £million	Company (2)	Shares or Stock (3)	Date of Valuation (4)	Annual Dividend (5)	Net Asset Value *after deducting prior charges*: *at nominal value* ♦(6)	*at market value* ♦(7)	Investment Currency Premium (see note g) (8)
				Pence except where £ stated (see note d)			
	VALUATION MONTHLY						
148.9	Alliance Trust	Ordinary 25p	31/3/78	7.1	276.6	284.6	33.4
83.0	Anglo-American Securities Corpn.	Ordinary 25p	31/3/78	3.0	122.3	128.1	16.2
†	British Investment Trust	Ordinary 25p	31/3/78	†	†	†	†
23.9	Capital & National Trust	Ord. & "B" Ord. 25p	31/3/78	*4.0	160.5	163.2	17.7
10.0	Claverhouse Investment Trust	Ordinary 50p	31/3/78	3.8	99.8	99.8	0.2
10.0	Crossfriars Trust	Ordinary 25p	31/3/78	3.3	99.7	99.7	–
13.4	Dundee & London Investment Trust	Ordinary 25p	31/3/78	2.3	81.8	83.4	5.9
†	Edinburgh Investment Trust	£1 Deferred	31/3/78	6.75	†	†	†
42.7	First Scottish American Trust	Ordinary 25p	31/3/78	2.85	116.5	118.4	13.8
11.5	Grange Trust	Ord. Stock 25p	31/3/78	2.1	97.8	101.9	3.8
67.6	Great Northern Investment Trust	Ordinary 25p	31/3/78	3.87	132.2	134.7	9.6
†	Guardian Investment Trust	Ordinary 25p	31/3/78	†	†	†	†
86.5	Investment Trust Corporation	Ordinary 25p	31/3/78	5.015	257.2	262.8	36.9
79.0	Investors Capital Trust	Ordinary 25p	31/3/78	1.65	97.1	102.5	13.1
21.2	Jardine Japan Investment Trust	Ordinary 25p	31/3/78	0.85	190.5	190.5	49.3
†	London & Holyrood Trust	Ordinary 25p	31/3/78	†	†	†	†
†	London & Montrose Investment Tst.	Ordinary 25p	31/3/78	†	†	†	†
†	London & Provincial Trust	Ordinary 25p	31/3/78	†	†	†	†
103.3	Mercantile Investment Trust	Ordinary 25p	31/3/78	1.25	130.8	133.5	2.7
	Do. Do.	Conv. Debs. 1983	31/3/78	£4.50	£77.90	[illegible]	£4.10
25.7	North Atlantic Securities Corpn.	Ordinary 25p	31/3/78	2.7	115.0	117.8	13.9
50.3	Northern American Trust	Ordinary 25p	31/3/78	2.85	123.2	128.4	17.2
7.5	Save & Prosper Linked Invest. Trust	Capital Shares	31/3/78	–	156.8	156.8	–
‡115.8	Scottish Investment Trust	Ord. Stock 25p	31/3/78	2.56	122.8	126.7	13.9
†	Scottish Northern Investment Trust	Ordinary 25p	31/3/78	†	†	†	†
98.6	Scottish United Investors	Ordinary 25p	31/3/78	ac1.6	ac89.2	ac92.0	ac16.9
48.9	Second Alliance Trust	Ordinary 25p	31/3/78	5.65	235.3	243.3	28.9
†	Shires Investment Co.	Ordinary 50p	31/3/78	†	†	†	†
40.2	Sterling Trust	Ordinary 25p	31/3/78	5.3	221.1	227.6	25.8
26.1	Technology Investment Trust	Ordinary 25p	31/3/78	2.25	129.8	131.0	15.3
71.4	United British Securities	Ordinary 25p	31/3/78	3.975	159.2	160.4	18.1
20.6	United States & General	Ordinary 25p	31/3/78	5.04	243.7	249.9	29.3
83.7	United States Debenture Corporation	Ord. Stock 25p	31/3/78	3.52	114.4	118.5	14.1
	Do. Do.	Conv. Loan 1993	31/3/78	£5.00	£125.90	£130.30	£15.50
	Baillie Gifford & Co.						
†	Scottish Mortgage & Trust	Ordinary 25p	31/3/78	†	†	†	†
55.3	Monks Investment Trust	Ordinary 25p	31/3/78	1.4	63.5	64.2	7.2
14.0	Winterbottom Trust	Ordinary 25p	31/3/78	4.6	247.2	250.2	34.9
	Baring Bros. & Co. Ltd.						
†	Outwich Investment Trust	Ordinary 25p	†	†	†	†	†
23.4	Tribune Investment Trust	Ordinary 50p	28/3/78	13.0	880.1	892.5	134.6
	East of Scotland Invest. Managers						
42.5	Aberdeen Trust	Ord. Stock 25p	31/3/78	5.05	174.2	183.6	16.7
	Edinburgh Fund Managers Ltd.						
50.3	American Trust	Ord. & "B" Ord. 25p	31/3/78	*1.35	56.4	58.4	5.0
17.2	Crescent Japan Investment Trust	Ordinary 25p	31/3/78	–	222.9	222.9	53.7
	Electra House Group						
†	Electra Investment Trust	Ordinary 25p	31/3/78	4.3	†	†	†
230.4	Globe Investment Trust	Ordinary 25p	28/2/78	4.1	134.9	135.3	7.1
	Do. Do.	Conv. Loan 1987/91	28/2/78	£5.50	£110.80	£111.10	£5.80
	Do. Do.	Conv. Loan 1985/90	28/2/78	£8.25	£155.20	£155.50	£8.10
35.4	Temple Bar Investment Trust	Ordinary 25p	31/3/78	9.5	232.6	237.0	7.1
	Do. Do.	Conv. Loan 1985/90	31/3/78	£5.75	£132.50	£133.10	£4.00
	Do. Do.	Conv. Loan 1987/91	31/3/78	£6.00	£100.00	£101.90	£3.00
	F. & C. Group						
18.1	Alliance Investment	Ordinary 25p	31/3/78	2.45	132.4	136.5	13.8
21.9	Cardinal Investment Trust	Deferred 25p	31/3/78	3.9	146.3	151.4	13.6
	Do. Do.	Conv. Loan 1985/87	31/3/78	£6.00	£118.50	£122.60	£11.00
6.6	F. & C. Eurotrust	Ordinary 25p	31/3/78	0.85	67.5	67.5	12.9
172.8	Foreign & Colonial Invest. Trust	Ordinary 25p	31/3/78	3.77	211.4	219.3	32.3
†	General Investors & Trustees	Ordinary 25p	31/3/78	†	†	†	†
	James Finlay Investment Mgmt. Ltd.						
1.7	Provincial Cities Trust	Ordinary 25p	31/3/78	1.3978	34.9	34.9	–
	Gartmore Investment Ltd.						
†	Altifund	Income 50p	31/3/78	7.2	†	†	†
	Do. Do.	Capital 50p	31/3/78	0.36	†	†	†
24.0	Anglo-Scottish Investment Trust	Ordinary 25p	31/3/78	1.6	57.0	58.8	4.5
25.0	English & Scottish Investors	Ord. & "B" Ord. 25p	31/3/78	*2.45	80.0	94.4	4.3
7.0	Group Investors	Ordinary 25p	31/3/78	1.7	75.2	78.4	6.6
4.6	London & Gartmore Invest. Trust	Ordinary 50p	31/3/78	0.5	83.3	80.6	7.6
†	*London & Lennox Invest. Trust*	Ord. & "B" Ord. 25p	31/3/78	*2.1	†	†	†
21.6	London & Lomond Invest. Trust	Ordinary 25p	31/3/78	2.4	94.2	96.6	7.1
10.1	London & Strathclyde Trust	Ordinary 25p	31/3/78	1.375	31.1	34.8	5.5
11.4	Meldrum Investment Trust	Ordinary 25p	31/3/78	1.85	56.4	58.4	0.3
6.1	New York & Gartmore Investment	Ordinary 25p	31/3/78	0.4	35.7	35.7	4.4
	Gartmore Investment (Scotland) Ltd.						
70.1	*Scottish National Trust*	*Ordinary 25p*	31/3/78	3.43	185.9	189.4	23.7
17.0	Glasgow Stockholders Trust	Ordinary 25p	31/3/78	2.4	128.7	132.7	16.6
	John Govett & Co. Ltd.						
80.6	Border & Southern Stockhldrs. Tst.	Ordinary 50p	31/3/78	7.5	386.2	393.1	41.2
35.7	Debenture Corporation	Ordinary 25p	31/3/78	ac2.4	ac83.4	ac85.2	ac5.7
11.6	*General Stockholders Invest. Trust*	*Ordinary 12½p*	31/3/78	1.7	130.6	150.3	21.3
20.8	Govett European Trust	Ordinary 25p	31/3/78	1.8	84.3	84.3	8.0
58.7	Lake View Investment Trust	Ordinary 25p	31/3/78	†	120.2	123.8	12.9
	Do. Do.	Conv. Loan 1973/98	31/3/78	£4.00	£169.30	£165.10	£17.20
‡59.5	Stockholders Investment Trust	Ordinary 25p	31/3/78	2.05	123.8	128.2	14.6
	G.T. Management Ltd.						
17.1	Berry Trust	*Ordinary 25p*	31/3/78	0.875	83.6	83.6	4.3
	Do. Do.	Conv. Loan 1993	31/3/78	£4.25	£121.20	£121.20	£6.30
‡17.3	G.T. Japan Investment Trust	Ordinary 25p	31/3/78	1.0	173.8	173.8	27.0
	Do. Do.	Conv. Loan 1987	31/3/78	£8.50	£107.70	£107.70	£16.80
6.8	Northern Securities Trust	Ordinary 25p	31/3/78	3.0	149.7	155.1	13.0
	Hambros Group						
†	Bishopsgate Trust	Ordinary 25p	31/3/78	5.25	†	†	†
†	City of Oxford Investment Trust	Ordinary 25p	31/3/78	3.0	†	†	†
†	Hambros Investment Trust	Ordinary 25p	31/3/78	3.25	†	†	†
‡6.5	Rosedimond Investment Trust	Capital 25p	31/3/78	–	110.8	110.8	2.5
	Henderson Administration Ltd.						
‡128.1	Witan Investment	Ord. & "B" Ord. 25p	31/3/78	*2.1	x116.0	120.6	x14.9
20.4	Electric & General Investment	Ordinary 25p	31/3/78	1.43	95.6	96.7	13.0
6.4	Greenfriar Investment	Ordinary 25p	31/3/78	1.45	117.2	117.2	13.8
6.6	Lowland Investment	Ordinary 25p	31/3/78	2.1	64.8	64.8	2.3
2.2	English National Investment	Prefd. Ord. 25p	31/3/78	1.74	33.0	33.9	–
	Do. Do.	Defd. Ord. 25p	31/3/78	2.06	57.1	60.8	–
	Philip Hill (Management) Ltd.						
19.5	City & International Trust	Ordinary 25p	31/3/78	4.07	122.5	127.0	8.6
10.8	General & Commercial Inv. Trust	Ordinary 25p	31/3/78	5.82	169.4	178.6	10.3
22.3	General Cons. Investment Trust	Ordinary 25p	31/3/78	3.75	103.9	106.6	6.3
125.5	Philip Hill Investment Trust	Ordinary 25p	31/3/78	†	225.2	229.0	7.1
5.0	Moorgate Investment Co.	Ordinary 25p	31/3/78	3.035	98.1	100.3	1.5
37.0	Nineteen Twenty-Eight Inv. Trust	Ordinary 25p	31/3/78	†	256.4	265.0	25.4
	Industrial & Comml. Finance Cpn.						
†9.5	London Atlantic	Ordinary 25p	31/3/78	†	†74.2	†75.5	†3.9
5.4	North British Canadian	Ordinary 25p	31/3/78	2.7	71.8	71.8	0.8
	Ivory & Sime Ltd.						
42.0	Atlantic Assets Trust	Ordinary 25p	31/3/78	0.4	126.9	133.2	24.1
103.7	British Assets Trust	Ordinary 25p	31/3/78	2.2	86.7	92.5	13.7
33.7	Edinburgh American Assets Trust	Ordinary 25p	31/3/78	1.1	132.0	135.0	29.3
†	Viking Resources Trust	Ordinary 25p	31/3/78	†	†	†	†
	Keyser Ullmann Ltd.						
11.3	Throgmorton Secured Growth Tst.	£1 Capital Loan Stock	31/3/78	–	–	158.5	–
39.1	Throgmorton Trust	Ordinary 25p	31/3/78	4.375	83.3	85.1	–
	Kleinwort Benson Ltd.						
26.3	British American & General Trust	Ordinary 25p	31/3/78	1.65	50.5	51.5	3.1
20.8	Brunner Investment Trust	Ordinary 25p	31/3/78	3.55	124.1	126.7	8.9
30.8	Charter Trust & Agency	Ordinary 25p	31/3/78	2.15	70.6	72.6	6.1
40.4	*English & New York Trust*	*Ordinary 25p*	31/3/78	2.6	94.2	95.8	8.0
4.0	Family Investment Trust	Ordinary 25p	31/3/78	3.85	91.0	91.0	0.1
2.9	Jos Holdings	Ordinary 25p	31/3/78	2.04	58.1	58.1	2.0
5.9	London Prudential Invest. Trust	Ordinary 25p	31/3/78	2.75	94.0	96.5	7.0
47.9	Merchants Trust	Ordinary 25p	31/3/78	2.6	88.6	91.8	9.9
	Lazard Bros. & Co. Ltd.						
50.8	*Raeburn Investment Trust*	*Ordinary 25p*	31/3/78	3.7	162.2	168.1	20.1
39.5	Romney Trust	Ordinary 25p	31/3/78	2.65	114.9	117.2	14.2
	Martin Currie & Co., C.A.						
†	Canadian & Foreign Invest. Trust	Ordinary 25p	31/3/78	†	†	†	†
19.4	St. Andrew Trust	Ordinary 25p	31/3/78	4.15	152.7	157.5	17.5
96.0	Scottish Eastern Investment Trust	Ordinary 25p	31/3/78	4.05	166.6	172.3	24.3
†	Scottish Ontario Investment Co.	Ordinary 25p	31/3/78	†	†	†	†
†	Securities Trust of Scotland	Ordinary 25p	31/3/78	†	†	†	†
3.1	Western Canada Investment Co.	Ordinary 25p	31/3/78	16.0	712.8	714.0	98.5
	Murray Johnstone Ltd.						
44.5	Caledonian Trust	Ord. & "B" Ord. 25p	31/3/78	*1.6	98.9	102.2	16.8
67.6	Clydesdale Investment Trust	Ord. & "B" Ord. 25p	31/3/78	*1.675	95.3	97.9	16.3
16.2	Glendevon Investment Trust	Ord. & "B" Ord. 25p	31/3/78	*1.65	122.1	124.5	32.6
6.5	Glenmurray Investment Trust	Ord. & "B" Ord. 25p	31/3/78	*1.7	93.2	93.2	15.1
17.4	Scottish & Continental Investment	Ordinary 25p	31/3/78	1.2	81.9	81.9	15.2
75.0	Scottish Western Investment	Ord. & "B" Ord. 25p	31/3/78	*2.2	117.9	123.6	19.8
24.3	Second Great Northern Invest.	Ord. & "B" Ord. 25p	31/3/78	*1.76	107.7	111.1	18.7
	Schroder Wagg Group						
20.6	Ashdown Investment Trust	Ordinary 25p	31/3/78	4.05	173.5	182.0	20.9
	Do. Do.	Conv. Loan 1988/93	31/3/78	£4.75	£122.90	£127.40	£14.3
7.0	Australian & International Trust	Ordinary 50p	31/3/78	2.7	116.1	116.1	19.1
29.2	Broadstone Investment Trust	Ordinary 20p	31/3/78	3.15	191.3	198.6	21.0
	Do. Do.	Conv. Loan 1988/93	31/3/78	£4.50	£127.50	£132.40	£14.0
‡46.7	Continental & Industrial Trust	Ordinary 25p	31/3/78	5.75	246.0	255.8	15.4
29.1	Trans-Oceanic Trust	Ordinary 25p	31/3/78	5.0	222.2	228.4	27.8
	Do. Do.	*Conv. Loan 1988/93*	*31/3/78*	*£4.50*	*£138.80*	*£142.70*	*£17.4*
12.9	Westpool Investment Trust	Ordinary 25p	31/3/78	2.65	134.5	137.7	16.1
	Do. Do.	Conv. Loan 1989/94	31/3/78	£5.00	£121.00	£123.90	£14.5
	Stewart Fund Managers Ltd.						
73.6	Scottish American Investment Co.	Ordinary 50p	31/3/78	2.5	104.2	105.5	6.7
†	Scottish European Investment Co.	Ordinary 25p	31/3/78	†	†	†	†
	Touche Remnant & Co.						
98.4	Atlas Electric & General Trust	Ordinary 25p	31/3/78	1.6	78.8	81.7	5.0
30.4	Bankers' Investment Trust	Ordinary 25p	31/3/78	2.3	71.5	76.2	5.3
30.9	Cedar Investment Trust	Ordinary 25p	31/3/78	2.5	86.3	88.7	6.5
30.6	City of London Brewery	Deferred 25p	31/3/78	2.4	75.4	79.6	1.5
29.2	Continental Union Trust	Ordinary 25p	31/3/78	2.85	151.5	157.0	14.2
15.2	C.L.R.P. Investment Trust	Ordinary 25p	31/3/78	1.9	88.5	92.7	7.0
168.7	Industrial & General Trust	Ordinary 25p	31/3/78	1.43	67.4	69.5	5.4
36.4	International Investment Trust	Ordinary 25p	31/3/78	2.62	97.1	102.2	7.9
50.6	Sphere Investment Trust	Ordinary 25p	31/3/78	2.9	146.6	151.1	13.3
61.0	Trustees Corporation	Ordinary 25p	31/3/78	4.0	179.5	185.2	10.0
34.0	Trust Union	Ordinary 25p	31/3/78	2.8	134.5	138.7	8.2
	Williams & Glyn's Bank Ltd.						
‡14.0	Sizewell European Invest. Trust	Ordinary 10p	31/3/78	1.5	101.1	101.1	11.5
3.5	Atlanta Baltimore & Chicago	Ordinary 10p	31/3/78	0.5	63.6	65.6	4.3
4.1	West Coast & Texas Regional	Ordinary 10p	31/3/78	0.75	78.0	78.0	6.7
	VALUATION THREE-MONTHLY						
†	General Scottish Trust	Ordinary 25p	31/3/78	†	†	†	†
	Do. Do.	Conv. Loan 1995/2000	31/3/78	†	†	†	†
27.0	Hume Holdings	"A" & "B" Ord. 25p	31/3/78	*5.625	x87.9	x91.3	0.2
5.8	Kingside Investment Co.	Ordinary 25p	31/3/78	2.25	59.2	59.2	0.3
2.1	Lancashire & London Inv. Trust	Ordinary 25p	31/3/78	1.8	51.8	51.8	1.8
15.4	River Plate & General Inv. Trust	Deferred 25p	31/3/78	6.25	181.7	186.3	7.0
10.8	Safeguard Industrial Investments	Ordinary 25p	31/3/78	3.6	92.4	94.0	–
8.3	Scottish Cities Investment Trust	Ord. & "A" Ord. 25p	31/3/78	8.0	243.5	245.5	5.5
8.2	Wemyss Investment Co.	Ordinary £1	31/3/78	10.75	362.8	382.8	43.0
15.4	Yeoman Investment Trust	Ordinary 25p	31/3/78	7.59	219.7	224.8	11.4
	Do. Do.	Conv. Loan 1993	31/3/78	£4.50	£120.60	£123.60	£6.30
	East of Scotland Inv. Managers Ltd.						
10.4	Dominion & General Trust	Ordinary 25p	28/2/78	6.75	222.4	231.9	23.1
26.2	Pentland Investment Trust	Ordinary 25p	28/2/78	4.05	138.9	143.2	15.6
	Rivermoor Management Services Ltd.						
13.8	Moorside Trust	Ordinary 25p	31/3/78	4.75	114.9	118.8	8.3
30.1	River & Mercantile Trust	Ordinary 25p	31/3/78	8.125	213.9	222.3	4.1

AMENDMENT to table published 17th February 1978:
Valuation Monthly Aberdeen Trust Cols. 6 & 7 should read 163.6 and 173.1 respectively.

AMENDMENT to table published 17th March 1978: Valuation Monthly
Save & Prosper Linked Cols. 6 & 7 should both read 136.7. Aberdeen Trust Cols 6 & 7 should read 160.8 and 170.8 respectively.

♦ The net asset values in the above table take account of the reduction in the rate of tax on realised chargeable gains from 17% to 10% as proposed in the Budget on 11th April 1978.

* Applies to Ordinary "A" Ordinary only. ‡ Includes special dividend. ac Adjusted for scrip issue. ar Adjusted for rights issue. † Company will announce year-end or interim results shortly. x See note (h) below. ⊕ Not directly comparable with previous published figure. B Dependent on "B" share conversions. ‡ Change in the prior charges since the previous published figure.

Notes:—

(a) Cols. 1, 6, 7 Quoted investments are valued at mid-market prices; unquoted at directors' valuation; both include 100 per cent. of any investment currency premium after taking into account the premium on any surplus or on any shortfall of foreign currency assets against foreign currency loans.
(b) Cols. 1, 6, 7 All revenue account items are excluded.
(c) Cols. 1, 6, 7 No account has been taken of any liability in respect of taxable gains which might arise on future disposal of investments.
(d) Cols. 5-8 Amounts are per share/stock unit or per £100 Convertible Loan Stock. Column 5 precisely stated; columns 6-8 to nearest one-tenth of a penny per share and 10p per £100 Convertible Loan Stock.
(e) Col. 5 Dividend is the last declared annual dividend or firm forecast, excluding imputation credit. Interest on loan stocks is stated gross of income tax.
(f) Cols. 6-7 Prior charges are deemed to include preference share capital.
(g) Col. 8 The amount per share/stock unit represented by 100 per cent. of the investment currency premium applied in calculating the valuation for Cols. 1, 6 and 7.
(h) Cols. 6-8 Convertible loan/preference stocks are treated in the way which produces the lower n.a.v. per share. Convertible stocks are treated as fully converted at the rate for the next conversion date, or where a figure is marked "x" as prior charges: warrants or subscription rights are treated as unexercised.

Associates decline fails to halt Lead Inds.

CONTINUED improvement in the U.K. subsidiaries of Lead Industries and in the overseas companies—in spite of converting their profits at the higher sterling rate of exchange ruling at the year end—resulted in the group increasing its pre-tax profits for 1977 marginally from £20.5m. to £20.9m.

At midway whe nannouncing an advance from £10.17m. to £12.18m. the directors said that the second half was likely to be lower, particularly in the case of the associate company Tioxide, but results for the full year were expected to exceed those for 1976. This forecast was updated last month when the Tioxide figures were reported and the directors stated that group profits for 1977 were in line with those for the previous year.

On prospects for the current year the directors report that there is little sign of any increase in world trade. Tioxide has indicated only marginal signs of recovery from the unprofitable second hal fof 1977 and little profit from the associate companies can be expected for the first half of 1978.

For 1977 the improvement was well spread in the U.K. companies, all the main operations showing better results, while the overseas advance was despite lower profits from Italy and India. Currently the development and spread of interests of some subsidiaries should compensate for the difficult areas in which others are operating. The full year will have to bear the impact of higher costs but te net volume of sales so far is quite encouraging.

	1977 £000	1978 £000
Sales	199.531	169.862
U.K.	149.798	119.216
Overseas	49.733	49.646
Share of associate sales	89.177	82.614
Trading profit	15.789	11.692
U.K.	9.506	6.497
Overseas	6.283	5.195
Share of associates	7.040	10.618
Interest	1.918	1.732
Profit before tax	20.911	20.546
Taxation	10.794	10.698
Group	7.069	5.393
Associates	3.725	5.305
Minority profits	584	556
Extraordinary credits	416	†217
Group	†267	†237
Associates	683	20
Available	8.960	9.065
Preference dividends	58	58
Ordinary interim	1.232	844
Final	1.504	1.132
Retained	6.045	6.071

† Debit.

Earnings per 50p share are show nto have fallen slightly from 25.43p to 24.15p. As forecast last May the net final dividend is 4.37p for a 7.37p (5.59p) total.

No adjustment for the conversion into sterling of net current assets of overseas subsidiaries and associates has been included in profits.

The group has interests in smelting and fabrication of non-ferrous metals and the manufacture of chemical and paint products.

General Scottish Trust

Gross revenue of General Scottish Trust advanced from £584,395 to £718,318 in the year to March 31, 1978 and, after interest payable of £105.039 (£31,974) and tax of £227,270 (£187,368), the balance available to Ordinary holders rose from £270,755 to £322,729.

Earnings are given at 3.41p (3.08p) per 25p share and the dividend total is raised from 3p to 3.35p net with a final of 1.85p.

The net asset value at the year end was 108.5p (98.6p) fully diluted.

Rolls-Royce conversion approved

The proposal for the conversion of the eight per cent. Convertible Unsecured Loan Stock 1997/2002 of Rolls-Royce Motors on improved terms has become effective.

Mr. I. J. Fraser, the chairman told shareholders yesterday that the acceptance of the conversion proposals will significantly improve the financial strength of the company during a period when major expenditure on new plant and new products is continuing.

Demand for the company's main products currently exceeds capacity. In the first quarter of 1978 turnover and profits are both ahead of last year.

He is confident that as long as the manufacturing momentum is not disturbed by industrial relations problems either within Rolls-Royce or at its suppliers this performance should be reflected in a satisfactory result for the year as a whole.

Advance by London & Provincial

With gross income better at £1,921,445 compared with £1,789,760, revenue of the London and Provincial Trust advanced from £964,838 to £1,050,010 for the year to March 31, 1978, struck after tax of £708,408 against £676,001.

Earnings per 25p share are given as 3.4p (3.1p) and the dividend total is raised to 3.4p (3p) net, with a final of 2.3p.

Net asset value is shown at 140p (131p) per share.

A. G. Stanley confident of peak year

Mr. Malcolm John Stanley, the chairman of A. G. Stanley Holdings, is confident that the group can look forward to another record year. Trade in the current year has been satisfactory, he says, and the group achieved a 45 per cent. increase in turnover in the first three months. He adds that the group is also confident that the improved margins of 1977 have been maintained.

As reported on April 14 pre-tax profits for the 1977 year rose from £0.93m. to a record £1.11m. and included a trading loss of £100,193 from its Dutch operations. Two of the company's Dutch stores have been disposed of and provision has been made in the accounts for the losses on disposal of fixed assets. The dividend payment of the group is increased from 5.26675p to 5.82728p with a net final 3.32728p. Also proposed is a one-for-two scrip issue.

A further 15 stores were opened during the year, of which two were re-sites, and eight stores were closed, which, the chairman says, had become unsuitable for the group's needs. At the year-end the group had 111 stores trading and had added a further 36,400 square feet of trading area.

The group has acquired eight stores to be opened in the current year and are negotiating for a number of others. Mr. Stanley says the directors are also actively seeking new sites from which to trade and are constantly engaged on a programme of improvement of existing stores.

There was a decrease in cash and bank balances at the year end of £221,050 against £11,636. Stanley is involved in the retailing of home decorating materials and related products.

Meeting, Stanley House, Orpington, Kent, on May 21 at 4 p.m.

KMBC to increase capital

Korea Merchant Banking Corporation, the merchant banking joint venture between Korean industrial and banking interests, Lazard Brothers and Co., and Barclays Bank International, is to increase its share capital by 60 per cent.

Subject to the necessary approvals from the Korean authorities which are expected shortly, the paid up share capital will be increased from Won 2,500m. to Won 4,000m. (£4.35m.) and the shareholders will subscribe their pro rata shares.

In its annual report for 1977, the first full year of operations, K.M.B.C. reports net profit of Won 715m. (£779,000) and a dividend of 15 per cent.

Slowdown seen by Willis Faber

WITH THE current outlook less promising than for several years past, the directors of Willis Faber do not anticipate the growth in profits of the last few years, but are building on sure foundations without the distractions recently attendant upon their efforts, says Mr. Ronald Taylor, the chairman.

Members are told in his annual statement that world trade is sluggish and this has a particular impact on marine insurance, upon which the company has a significant dependence. Interest rates generally are lower and the company also has substantial extra expenses on premises and systems development.

As a result of changes in the last three years, the company now occupies two premises at Ipswich and Trinity Square. In the short term, the very large expenditures on these are a significant drag on profits, states Mr. Taylor, but in the longer term, he says, ownership of two such freeholds will be greatly to the company's advantage.

During these changes, the directors have deliberately delayed further necessary improvements in systems, which are now being undertaken at heavy cost, to be spread over 1978 and 1979.

As reported on March 21, pre-tax profit advanced from £16.32m. to £19.56m. for 1977, with £4.33m. (£2.59m.) arising from associates.

Of this 22 per cent. associate contribution, some £2.6m. came from Morgan Grenfell, with others in South Africa, Australia, and Canada increasing their contributions. However, the directors do not expect increases from these sources in the current year.

On a CCA basis, group pre-tax profit is reduced to £18.99m. after additional depreciation of £0.57m.

Meeting, 10, Trinity Square, E.C., May 25, 11 a.m.

Holyrood Rubber pays 33p

Pre-tax profits for 1977 of Holyrood Rubber fell from £100,722 to £84,660 but the dividend total is being hoisted from 24.33p to 33p net per £1 share with a final of 28p. Earnings are shown at 48.94p

Harrisons and Crosfield has recently increased its interest to 65.43 per cent.

	1977 £	1976 £
Turnover	430,217	467,589
Trading surplus	116,498	119,931
Investment income	17,609	17,369
Replanting expenditure	49,448	38,559
Pre-tax profit	84,660	100,722
Tax	42,497	45,392
Net profit	42,163	55,330
Dividends	29,430	20,961
To general reserve	30,000	15,000
Carried forward	46,539	62,906

Hongkong Selangor

Around double pre-tax profits of £118,622 are reported by Hongkong (Selangor) Rubber for 1977, despite a marginal fall in turnover from £133,622 to £128,381.

Profit was struck after taking into account investment income of £26,078 (£21,358), share of associates £24,830 (£4,305) and replanting expenditure of £24,492 (£3,191).

Tax took £68,584 against £33,881 for stated earnings of 9.99p (4.53p) per 10p share and the total dividend is stepped up from 4.53p to 7.26p with a final payment of 5.94p net.

L & G: Successful year in prospect

LOOKING forward with confidence to another successful year in 1978 Viscount Caldecote, chairman of Legal and General Assurance Society, says in his annual statement that although there seems little prospect of any significant upturn in world trade during the year, there are some encouraging signs in the U.K. and the worst of the recession is over.

The major cause of concern to the company, he states, is the threat of greater intervention by the Government in commerce and industry; of special concern to insurance companies, apart from nationalisation, is the suggestion that there should be some Government direction of investment of their funds.

Lord Caldecote expresses the opinion that any such control would be directly against the interests of those who entrust their savings to the company, and would be of no benefit to the country as a whole.

For 1977 pre-tax profits, as reported March 30, improved from £13.9m. to £17.4m., despite an increase in the general insurance underwriting loss from £3.7m. to £8.0m. due to a deterioration in the motor account following an increase in the frequency as well as the cost of claims.

For the U.K. life fund, the high yields on Government stocks available during the year continued to be "very attractive." New investment was concentrated on the fixed interest sector and resulted in net investment of £190m., mainly in Government stocks. There was a small disinvestment in Ordinary shares of £15m. and of £13m. in property.

The shareholders and short-term fund started the year with a higher proportion of fixed interest investments, and nearly one third of the year's new investments in the U.K. of £21m. were in ordinary shares.

New investments of the Managed Fund totalled £30m. in fixed interest securities, £50m. in ordinary shares and £40m. in property.

The balance sheet at December 31, 1977 shows shareholders and insurance funds of £3.29bn. (£2.79bn.), of which £834.3m. (£478.5m.) is represented by Government securities.

Lord Caldecote refers to the new State earnings-related pension scheme which started on April 6, 1978. The new scheme includes the option for suitable private occupational pension schemes to contract out of the earnings-related part of the State scheme. The extent to which the contracting out option would be exercised has been widely regarded as a test of public confidence in the value of private pension schemes in times of economic difficulty. Lord Caldecote says that he is therefore pleased that around 70 per cent. (by premium income) of the schemes insured by the Society have decided to contract out, "a figure which is up to our best expectations."

The AGM of the company will be held at Temple Court on May 17 at 2.30 p.m.

Clayton Son's peak £0.9m.

On turnover of £10.19m., compared with £8.01m., pre-tax profits of Clayton Son and Co. (Holdings) a "close" engineering concern, advanced from £0.86m. to a record £0.9m. for 1977.

In October the directors said that first half profits of £39,709 (£284,309) were no indication of the full year result because of the policy of not taking profits on contracts until they are invoiced.

Full year earnings are shown at 16.94p (17.1p) per 50p share and the dividend total is raised from 3.9765p to 4.3923p net with a final of 3.1944p.

	1977 £	1976 £
Turnover	10,191,850	8,013,807
From assocs.	19,119	85,114
Pre-tax profit	909,264	863,040
Tax	474,262	421,734
Attributable	415,778	429,408
Extraord. credits	29,710	109,684

Intereuropean back in profit at halfway

On turnover of £6.92m. against £5.78m. Intereuropean Property Holdings reports a turnround from a loss of £94,000 to a profit of £530,000 for the half year to January 31, 1978. And the directors announce an interim dividend of 0.75p net per 10p share compared with 0.1p. Loss for the whole of the 1976/77 year was £1.1m. (£1.41m.).

Profit was struck after a lower interest charge of £602,000 against £1.51m. and includes unrealised profit on exchange of £262,000 (£160,000 loss). Also last time there was a £59,000 profit on sale of properties.

The directors state that despite the current trend in the value of sterling, which will, if it continues, result in a substantial reduction in the company's exchange profit, they are confident that profits for the second half will, with the benefit of the sales of certain properties be no less than those for the first half.

EUROPEAN OPTIONS EXCHANGE

Option	Price	Jun. Close	Jun. Vol.	Oct. Close	Oct. Vol.	Jan. Close	Jan. Vol.	Equity close
E. Kodak	$40	8½	1	—	—	—	—	$48½
E. Kodak	$45	5¼	78	6¼	48	—	—	..
E. Kodak	$50	2⅝	81	3⅝	63	—	—	..
GM	$50	15⅜	5	—	—	—	—	$65¼
GM	$60	5⅞	5	6½	9	—	—	..
GM	$70	1	31	1⅝	11	—	—	..
IBM	$240	17	8	20½	38	—	—	$254½
IBM	$260	7½	40	10½	51	—	—	..
IBM	$280	—	5	3⅝	63	—	—	..
Philips	F22.50	3.30	5	3.90	5	—	—	F25.30
Philips	F25.00	1.40	25	—	—	—	—	..
Philips	F27.50	—	..	0.80	19	—	—	..
R. D. Shell	F120	10.20	18	10.20	5	—	—	F128.20
R. D. Shell	F130	3.60	52	4.10	46	—	—	..
R. D. Shell	F140	—	..	1.00	10	—	—	..
Unilever	F110	—	—	10.80	6	—	—	F119.80
Unilever	F120	3.00	9	4.00	20	—	—	..
Unilever	F130	—	—	1.10	10	—	—	..
		May		August		November		
BP	700p	81	—	91	—	116	—	770p
BP	750p	37	—	47	—	71	—	..
BP	800p	16	—	18	—	43	—	..
GEC	200p	51	—	58	—	83	—	256p
GEC	225p	25	—	35	—	51	—	..
GEC	250p	15	—	17	—	29	—	..
GEC	275p	8	—	13	—	19	—	..
ICI	300p	50	—	66	—	81	—	337p
ICI	325p	27	—	35	—	51	—	..
ICI	350p	15	—	15	—	35	—	..
ICI	375p	11	—	14	—	23	—	..

MINING NEWS

A good dividend from Western Holdings

BY KENNETH MARSTON, MINING EDITOR

AS EXPECTED, sharply increased interim dividends are announced by the Orange Free State gold mines in South Africa's Anglo American Corporation group. Estimates are exceeded in the case of Western Holdings which is declaring a payment of 190 cents (118p) which compares with 140 cents a year ago and the subsequent final, also of 140 cents.

On the other hand, President Steyn's interim dividend of 30 cents compares with hopes of at least 40 cents, but it still goes against a total of 20 cents for the full year to last September. Free State Geduld's interim is in line with expectations as is that of Welkom, but there will be some disappointment with the 65 cents declared by President Brand.

	March 1978 cents int.	Sept. 1977 cents final	March 1977 cents int.	Sept. 1976 cents final
F. S. Geduld	130	150	90	80
Pres. Brand	65	60	70	65
Pres. Steyn	30	10	10	5
W. Holdings	190	140	140	125
Welkom	25	27.5	7.5	2.5

Meanwhile, Western Holdings along with some of the other gold mines in the Anglo American group fits in with the general March quarter pattern of modestly lower net profits arising out of reduced production and higher costs.

Vaal Reefs' latest profit has fallen back after the previous quarter's boost of exceptionally high uranium sales, but Free State Geduld and President Brand have done better thanks to increased gold outputs.

Free State Saaiplaas has increased its loss on gold, but this has been far outweighed by higher revenue from uranium which reflects the high grade of slimes sent to the OFS joint metallurgical scheme. The latest quarterly net profits, after tax but before capital expenditure, are compared below.

	March qtr. R000	Dec. qtr. R000	Sept. qtr. R000
E. Daggafontein	‡140	‡403	‡617
Free State Geduld	17,798	16,728	*28,884
F. State Saaiplaas	4,417	1,323	2,043
President Brand	11,032	9,531	7,815
President Steyn	7,605	10,098	10,379
SA Lands	‡242	11,315	‡388
Vaal Reefs	19,814	22,540	14,810
Welkom	2,479	2,868	1,850
Western Deep	14,221	13,186	11,518
Western Holdings	9,230	9,409	7,818

‡ Net surplus includes sale of capital items following cessation of mining. * Pre-tax profit.

Seltrust does well

LONDON'S Selection Trust reports a profit for the nine months to the end of its changed financial year to December 31 of £9.63m. compared with £10.48m. for the previous 12 months to March 31, 1977. A final dividend is declared of 9p which makes a total for the latest period of 14p (the final also applying to the shares issued for the Kleeman acquisition) compared with 16.72p for the 12 months to last March.

A major factor in the past nine months' shareholding revenue has been the important contribution from trading in Government Securities: over £70m. of the group's turnover of £201.4m. was derived from this source.

The fall in dividend revenue is explained by the fact that in the period only three dividends, instead of the usual four payments, were received on the important 8.3 per cent. holding in Amax. No dividend has been received from the Sierra Leone diamond operations, but one is expected in the current year. The group's tax charge has fallen owing to provisions no longer required which are largely related to the North Sea craneship "Thor."

Apart from the maintenance of earnings from sharedealings—thanks to the Gilt-edged activities—Selection Trust's good performance in the past nine months reflects the contributions of the Heerema and K13 North Sea oil and gas interests coupled with that of the Shand open-cut coal mining operations in the U.K.

As far as the current year is concerned, Heerema revenue is expected to fall in line with the changed terms of the deal with the Dutch company; K13 income may be little changed, while the Mount Newman iron ore operation in Western Australia may do less well.

There will, however, be the benefits of a full year's income from the Kleeman acquisition. On balance, it seems, Selection Trust is heading for a modest reduction in earnings. The shares were 8p down at 404p yesterday.

De Beers holds the line on prices

DE BEERS is giving notice to the international diamond market that the Central Selling Organisation will not be stampeded into an increase in basic selling prices by the recent high level of speculative trading and the consequent inflation of rough-stone prices in open trading.

"We will not make further increases in our basic selling prices unless and until we are satisfied that such increases are justified in relation to the retail demand for diamonds," says Mr. Harry Oppenheimer, the chairman, in his annual statement published to-day.

But Mr. Oppenheimer warns that the surcharges, "at rates judged appropriate at the time of sale" will continue to be levied. At this month's London sight, the surcharge was 40 per cent. on the price established last December.

Against the background of a buoyant market, De Beers has been boosting its own production, by 12 per cent. last year to 11.8m. carats. It is this which seems to explain the insignificant decrease in the value of stocks on hand at the end of 1977. They are worth R220.7m. (£137.2m.), or R6.8m. less than at the end of 1976.

The expansion programme at Consolidated Diamond Mines of South West Africa has been completed and this part of the group contributed 22 per cent. of the 1977 net profits of R623m. (£387.5m.). Further capital programmes are in progress elsewhere in the group.

In preparation for the emergence of the independent state of Namibia, CDM is moving its head office to Windhoek and the group has appropriated R25m. (£15.5m.) for investment outside the diamond industry in the country.

Yesterday the shares were 325p.

CVRD CUTS IRON ORE PRICE

Although Companhia Vale do Rio Doce (CVRD), Brazil's state-owned mineral concern, hopes to meet its 1978 target of sales of 65m. tonnes of iron for a total of $800m., it has had to make adjustments with Japan, one of its major clients, reports Diana Smith from Rio de Janiero.

With the Japanese steel industry operating at only 65 per cent. of capacity, CVRD has bowed to the wishes of Nippon Steel and agreed to a price cut of between 1.2 and 2.4 per cent. on 45 per cent. of its 1978 sales of ore, which are expected to total 18m. tonnes.

For their part, the Japanese, who originally wanted a 25 per cent. flexibility clause, have agreed to reduce this to 10 per cent.—either an increase or decrease in volume, according to their needs. This is the system agreed with Australian producers.

With the vagaries of the European and Japanese ore markets, CVRD is hoping that next month a sales visit to China will result in an order for 10m. tonnes of iron ore spread over a ten-year period.

OIL AND GAS NEWS

Argentine details exploration laws

THE Argentine state-owned oil and gas corporations, YPF and Gas del Estado, will ask for tenders this year for the exploration of 19 prospective oil areas under a new risk law, approved by the Government last Friday, according to Mr. Daniel Brunella, the Argentine's Power Secretary.

Under the new law prospecting risks for oil will lie exclusively with private companies with no investment by the state. Private companies should bring in the necessary financial and technical resources and the Government will pay cash for the oil found and pumped, Mr. Brunella added.

The law provides for the turning over of installations to YPF once contracts expire. The contracts will last seven years for offshore and five years for onshore exploration.

Tax rules exemptions will be applied for the companies and no import duties will be paid for machinery and equipment. The areas to be tendered cover ab[out] 100,000 square km., includ[ing] 60,000 square km. offshore [and] 40,000 km. onshore.

Meanwhile, oil traces have b[een] discovered at six different lev[els] in the first of five explorat[ion] wells programmed for the no[rth] flank of the Gulf of San Jo[rge] Basin, east of Comodoro R[iva]davia, Argentina.

Productivity testing began March 24, when experts perfora[ted] a layer 2,350 to 2,355 metres de[ep] according to the Argen[tine] Ministry of Economy. Once [the] flow stabilized it was measu[red] through a 9.5mm opening at [...] cubic metres a day petrole[um] and 46,000 cubic metres of ga[s a] day.

The tests tend to prove [the] existence of hydrocarbons in [the] area, although future investi[ga]tions and research will determ[ine] the extent of the deposit and [its] commercial possibilities [for] exploitation.

Comalco in new smelter deal

THE DECISION has finally been taken to proceed with a large aluminium smelter at Gladstone in Queensland. It was announced at the annual meeting of Comalco, which will be one of the participants in the venture, reports James Forth from Sydney.

Sir Donald Hibberd, the Comalco chairman, gave no details of the composition of the consortium which will develop the smelter. A large alumina refinery is already operated at Gladstone by Queensland Alumina, which is owned by Comalco, Conzinc Riotinto of Australia, Kaiser Aluminium, Alcan Aluminium of Canada, and Pechiney of France.

Sir Donald announced that Comalco will raise $A5.8m. (£3.6m.) through a one-for-four issue of shares at $A1.56 (9[...]) each to finance the purchase [of] CRA's 12.5 per cent. interest [in] Queensland Alumina, and 4[...] cent. of Kaiser's 32.3 per c[ent.] stake.

Comalco and several unide[nti]fied groups have been consi[der]ing a $A150m. smelter at G[ladstone] for several years. [Sir] Donald said the company had [de]cided to proceed on the basis [of] 30 per cent. participation in [the] first two potlines with the ri[ght] to add two more potlines.

He undertook that Coma[lco] would continue to pay at le[ast] 45 per cent. of earnings as d[ivi]dends. In the light of curr[ent] forecasts the directors expec[t] the 1978 dividend to be at le[ast] 10 cents a share. In 1977 Coma[lco] paid 12.5 cents.

The Board expected profit [in] 1978 would be less than the rec[ord] $A44m. in 1977. Profit was lo[wer] in the first quarter and [...] affected by the U.S. coal strike.

MONEY MARKET

Exceptional assistance

Bank of England Minimum Lending Rate 7½ per cent.

(since April 11, 1978)

Settlement of a very substantial amount of gilt-edged stock sold by the authorities was by far the major factor behind a severe shortage of credit in the London money market yesterday, according to the Bank of England. Other factors mentioned as being against the market's favour were: sizeable revenue payments to the Exchequer over Government disbursements, and run-down bank balances carried over from Wednesday. On the other hand the market was helped by a fairly large number of net maturing Treasury bills, and a slight fall in the note circulation.

The authorities gave an exceptionally large amount of assistance by buying an exceptionally large number of Treasury bills from the discount houses, plus a small amount of local authority bills and a moderate number of eligible bank bills.

Some of the bills were bought for resale to the market at a fixed date in the future.

The scale of help was probably overdone, and houses found late balances at around 4 per cent., although finishing rates were quoted within a wide range of 4-7 per cent. Secured call money commanded up to 7¼-7⅜ per cent. earlier in the day.

In the interbank market overnight loans opened at 7½-7¾ per cent., and touched 8½-9 per cent. at lunch, before falling to 3-4 per cent. at the close.

Fixed period interest ra[tes] were rather firmer in gene[ral] reflecting an overall lack of co[n]fidence, although it is felt that [a] further rise in Bank of Engla[nd] Minimum Lending Rate has pr[ob]ably been averted for this we[ek] at least. Discount houses' buy[ing] rates for three-month Treasu[ry] bills were slightly firmer [in] places at around 7 per ce[nt.] underlining market nervousn[ess] about the future trend in inter[est] rates.

Apr. 20 1978	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Tr[ade] Bill[s]
Overnight	—	3-9	—	—	—	8	4-7¼	—	—	—
2 days notice	—	—	7½-8	—	—	—	—	—	—	—
7 days or 7 days notice	—	7½-7⅞	7½-8	—	7⅝-8¼	8¼	6¾-7¼	—	—	—
One month	7⅝-7½	7 7/16-7 9/16	7⅝-7⅝	7¾-7¼	7⅝-8¼	8⅛	6¼-7	6 13/16	7 7/16-7½	7½-7[...]
Two months	7¾-7⅝	7⅝-7 13/16	—	7¾-7¼	7¾-8¼	—	6¾-7	6 13/16-6¾	7½-7⅝	7¾
Three months	7⅞-7 11/16	7 11/16-8	7¾-7⅞	7¾-7¼	7⅞-8⅜	8¼	7-7⅛	7	7 13/16-7⅝	8
Six months	8 1/16-8	8¼-8⅝	8 1/16-8⅝	7⅞-7⅝	8¼-8¾	—	—	—	8 1/16-8⅛	8⅝
Nine months	8½-8¼	8½-8¾	—	8⅜-8	9-9¼	—	—	—	—	—
One year	8 9/16-8 7/16	8¾-9	8⅞-9	8⅞-8½	9¼	—	—	—	—	—
Two years	—	—	9¾-10⅛	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage nominally three years 10¼-10½ per cent.; four years 11¼-11½ per cent.; five years 11½-11¾ per cent. ♦ Bank bill rates in table buying rates for prime paper. Buying rates for four-month bank bills 7 15/16-7⅞ per cent.; four-month trade bills 8½ per cent.

Approximate selling rates for one-month Treasury bills 6 13/16 per cent.; two-month 6 13/16 per cent.; and three-month 6[...] per cent. Approximate selling rate for one-month bank bills 7 5/16 per cent.; two-month 7½-7 5/16 per cent.; and three-month [...] per cent. One-month trade bills 7½ per cent.; two-month 7⅞ per cent.; and also three-month 7⅞ per cent.

Finance House Base Rates (published by the Finance Houses Association) 7 per cent. from April 1, 1978. Clearing B[ank] Deposit Rates (for small sums at seven days' notice) 4 per cent. Clearing Bank Base Rate for lending 7½ per cent. Trea[sury] Bills: Average tender rates of discount 6.9681 per cent.

Privacy is an asset that doesn't appear on a balance sheet.

The benefit–and satisfaction–of a private company is that you run your own business your own way.

You don't want to lose that because you need to raise capital for expansion.

And raising it through Gresham Trust ensures you won't.

We've helped all sizes and types of company over the years, but as a business partner financing their growth, not as Big Brother telling them how to achieve it.

As a business partner, we naturally seek a share in the success of the companies we help, that's only fair.

But we most certainly do not seek control. Ever.

Even when we ask if we may put a director on your Board, he is only there to help and advise, not to tell you how to do your job.

Because, as businessmen, we're finally investing in your ability as a businessman.

How you run things is your private concern.

Telephone 01-606 6474. Ask for Mr. Gordon Dean.

Gresham Trust Limited

Barrington House, Gresham Street, London EC2V 7HE. Telephone 01-606 6474.

BIDS AND DEALS

Wimpey moves into waste disposal

George Wimpey is to move into the management of industrial and hazardous wastes, through two strategic purchases announced yesterday.

In the larger of the two Wimpey has agreed to buy assets with a book value of £4¾m. which comprise the Beatwaste and Industrial Services division of Powell Duffryn's pollution control business

The new company, called Wimpey Waste Management, will have a workforce of over 600 and will specialise in waste clearance, collection, disposal, landfill management and landscaping. It will be backed by Wimpey's own network of disposal sites, the Wimpey transport fleet and the technical laboratories.

Powell Duffryn explained yesterday that the sale would enable the group to concentrate on its own specialist areas in pollution control. PD will continue to make waste disposal vehicles and equipment and will continue its own pollution control interests, particularly overseas.

In the second deal Wimpey has also acquired a 41 per cent. interest in Zergan, an East Anglian company specialising in the handling of hazardous wastes. This company will also be absorbed into Wimpey Waste Management and wil lincrease the range of services available.

MERCANTILE CREDIT

Mercantile Credit Company a wholly-owned subsidiary of Barclays Bank has acquired a controlling 67 per cent. interest in Letting France SA. one of the largest car leasing and contract hire operations in France, with a fleet approaching 3,000 vehicles.

The remaining 33 per cent. of the shares in the company are held by Credit Lyonnais from whom the controlling interest was acquired.

LADBROKE

Ladbroke is planning to expand its portfolio of hotels and motor inns.

This week it paid £1.4m. for the companies owning the Beehive Hotel (near Watford). The acquisition will bring the total, number of hotels and motor inns owned by Ladbroke to 17.

WOLSELEY-HUGHES EXPANSION

Wolseley-Hughes, the engineering concern, has bought the private engineering company P. J. Parmiter and Sons for £1.8m. in cash.

Parmiter is said to be the largest manufacturer of Disc Harrows in the U.K. In year to August 31, 1977, it made a pre-tax profit of £403,000 on sales of £3,552,000 which includes exports of £955,000.

Net assets at the year end amounted to £1,068,000.

'SUITS'

The three directors who make up the majority of the independent members of the Board of Scottish and Universal Investments have sent a letter to shareholders saying that they regard to Lonrho offer as "inadequate and unacceptable."

They advise shareholders not to fill in the form of acceptance, and they promise to give detailed reasons shortly for the rejection of the offer.

These directors, Mr. H. W. Laughland, Mr. J. B. Anderson, and Mr. H. Cowan, say their view is supported by Charterhouse Japhet, the company's financial advisers, and Grieveson Grant and Co., the company's brokers.

Meanwhile the Government is awaiting advice from the director general of Fair Trading before deciding whether to refer the Lonrho take-over bid to the Monopolies Commission. Mr. John Fraser, Minister of State for Prices and Consumer Protection told the Commons last night in reply to a written question from Mr. David Lambie (Lab., Central Ayrshire) calling on the Government to stop the Lonrho bid for SUITS.

Mr. Fraser said: "The Secretary of State for Prices and Consumer Protection (Mr. Hattersley) has power to prevent a merger only if he has first referred it to the Monopolies and Mergers Commission for investigation and the Commission have concluded that it may be expected to operate against the public interest. He will announce his decision on whether to make a reference in this case when he has received from the Director General of Fair Trading the advice on the proposed merger which the Director General is statutorily bound to give him under the Fair Trading Act 1973."

GORDON JOHNSON STEPHENS

The offer on behalf of Simon Engineering for the capital of Gordon Johnson-Stephens Holdings has become unconditional as to acceptances.

Acceptances of the Offer have been received in respect of 5,934,363 Gordon Johnson-Stephens shares (90.09 per cent. of the capital).

Subject to the Office of Fair Trading notifying Simon that it is not intended to refer the acquisition to the Monopolies Comimssion and to the passing of a resolution to approve the sale by Gordo nJohnson of certain subsidiaries to The West of England Trust (which latter condition Simon has reserved the right to waive), the offer will become wholly unconditional.

The offer will, meanwhile, remain open until further notice

ICFC BACKING FOR IBMAC

Industrial and Commercial Finance Corporation is providing £120,000 as a 10-year loan to Ibmac Group which specialises in the construction and maintenance of vehicle parks, mainly in connection with retail superstore developmen' The money will be used for expansion.

Rothschild associates prompted Gedong Investments bid

GUERILLA ACTION by business associates of N. M. Rothschild, the merchant bank, prompted the £943,000 bid for Gedong Investments by Consolidated Plantations. Rothschild has also been involved in harrying the Harrisons and Crosfield plantation empire.

This emerged yesterday along with the formal offer document. Mr. Richard Robinow, an associate of Rothschild, organised a campaign to get Consolidated Plantations either to sell out its stake in Gedong or buy in the whole company.

Together with his family, associated companies and friends, he bought up shares in this neglected company. Other shareholders were contacted and invited to join in asking Consolidated Plantations to make its choice.

A conflict such as those seen recently between McLeod-Sipef and the board of London Sumatra could have emerged (albeit on a smaller scale). But neither side wanted this and they were able to agree a price.

The Robinows and friends have netted a useful profit having bought most of their shares at 83p each 12 months ago. The value of the offer is currently 141p per share although that is after a substantial appreciation of the value of the main asset of Gedong, namely its shares in Consolidated Plantations.

Another beneficiary of the deal is Old Court Smaller Companies fund which had held about 10 per cent. of the company for several years.

But Consolidated Plantations does not do badly. It is issuing 669,000 shares to buy in 1,114,938 shares less £145,000 of current liabilities and £341,000 of deferred tax (which may not be payable). Consolidated Plantations has not announced what it will do wi the shares it is acquiring b clearly they cannot be kept the long term. U.K. based co panies are not allowed to ho their own shares.

SHARE STAKES

Slough Estates — Under t agreement entered into in conn tion with the offer for Yorkshi and Pacific Securities in Marc 1969, a further 67,190 shares ha been issued by Slough exchange for 18,000 shares of par value in Slough Estat Canada.

Ratners (Jewellers)—As part a continuing series of dispos Mr. J. M. Ratner, a director, h sold a further 55,000 Ordina shares.

Hambro Trust—Mr. R. Hambro has purchased (as a tru tee) 19,630 Ordinary shares.

Tate and Lyle diversifies

Tate and Lyle's refineries division has bought a 60 per cent. controlling interest in Reality Furniture of Stockport, as well as an agreement with the large German upholstered furniture maker, Hukla-Werke GmbH whereby Hukla-Werke also acquires an interest in Reality.

Reality is a upholstered furniture company producing suites for the middle range of the market and has 25 employees. Plans have already been agreed for the acquisition of an additional factory site at St. Helens, Lancashire which is to be expanded over the next three years as part of a £500,000 investment programme.

Hukla-Werke is claimed to be the world's largest upholstered manufacturer with interests in France, Switzerland and Japan. The company has not up to the present time had any interests nor sold in the U.K.

JOHNSON-RICHARDS —HEPWORTH

The directors of Johnson-Richards Tiles and its advisers S. G. Warburg and Co. Ltd. yesterday repeated that they cannot recommend the terms of the Hepworth Ceramic offer.

Holders are advised to take no action whatsoever on the Hepworth document.

WHEWAY WATSON

Wheway Watson Holdings is to develop its operations in South Wales, by acquiring the goodwill and certain of the assets of Loveridge for a consideration of £110,000 by the issue of 785,714 Ordinary shares at 14p each.

Loveridge is based at Cardiff and specialises in the manufacture, sale and hire of lifting equipment, which complements Wheway's own areas.

The Welsh Development Agency is to acquire the shares issued at the issue price of 14p each and to subscribe for an additional 414,286 Ordinary shares at the same price. None of the shares will rank for any final dividend for year to April 1, 1978.

RACAL/VADIC

Racal Electronics announces that it has completed the acquisition of the assets and business of the Vadic Corporation, the California-based data communications company.

BTR SALE

Contracts have been exchanged between Armstrong Equipment and Gandy, a member of the BTR Group, for the sale of the friction material business of Gandy for £850,000 cash.

Gandy Belting will continue as a member of the BTR Group, manufacturing medium and light duty conveyor and transmission belting.

ASSOC. TOOLING

Mr. Martin Green has joined the Board of Associated Tooling Industries having purchased a near 10 per cent. shareholding on behalf of himself and family trusts connected to Mr. Green. The shares have been acquired from Shield Trust, part of the Rothschild Group, which only acquired its stake through an internal re-organisation in Rothschild last month.

Shield's stake amounted to 233,287 shares (13.35 per cent.). Mr. Green's personal holding is 32,000 shares. A further 59,576 shares have been acquired by Mrs. P. V. Pratt, the wife of Associated's chairman, who now controls 18 per cent. The remainder has been acquired by the family trusts mentioned.

COSALT BUYS

Cosalt of Grimsby, which last year sold its Ships Chandlery division for over £12m., has just bought P.D. Maestrani (Felixstowe) a bonded warehouse, compass adjusting and ship-chandlery business in the Felixstowe, Ipswich and Harwich area.

The purchase is an extension of the ships stores services being offered by Cosalt at 18 location around the coast of the U.K. and is intended to extend the range of services offered to the marine industry.

Other activities of Cosalt include the manufacture of the Abbey, Piper, Safari and Riviera caravans, distribution of Refrigeration and Air Conditioning units and decorated mirrors the new Welsh flag-carrying air line, Air Wales.

H. A. LIGHT

H.A. Light, the Midlands-based pressings and wire forming group has taken over Avon Diecasting of Birmingham, which is the country's largest supplier of zinc cam gears with a turnover of £1m per annum.

This means that turnover of the Light Group is expected to reach around £8m. during the year increasing from £3m. in 1976.

FALMOUTH DOCKS

British Shipbuilders now owns 99.063 per cent. of the capital of Falmouth Docks and Engineering. Its offer is now unconditional and remains open.

HAMPTON GOLD

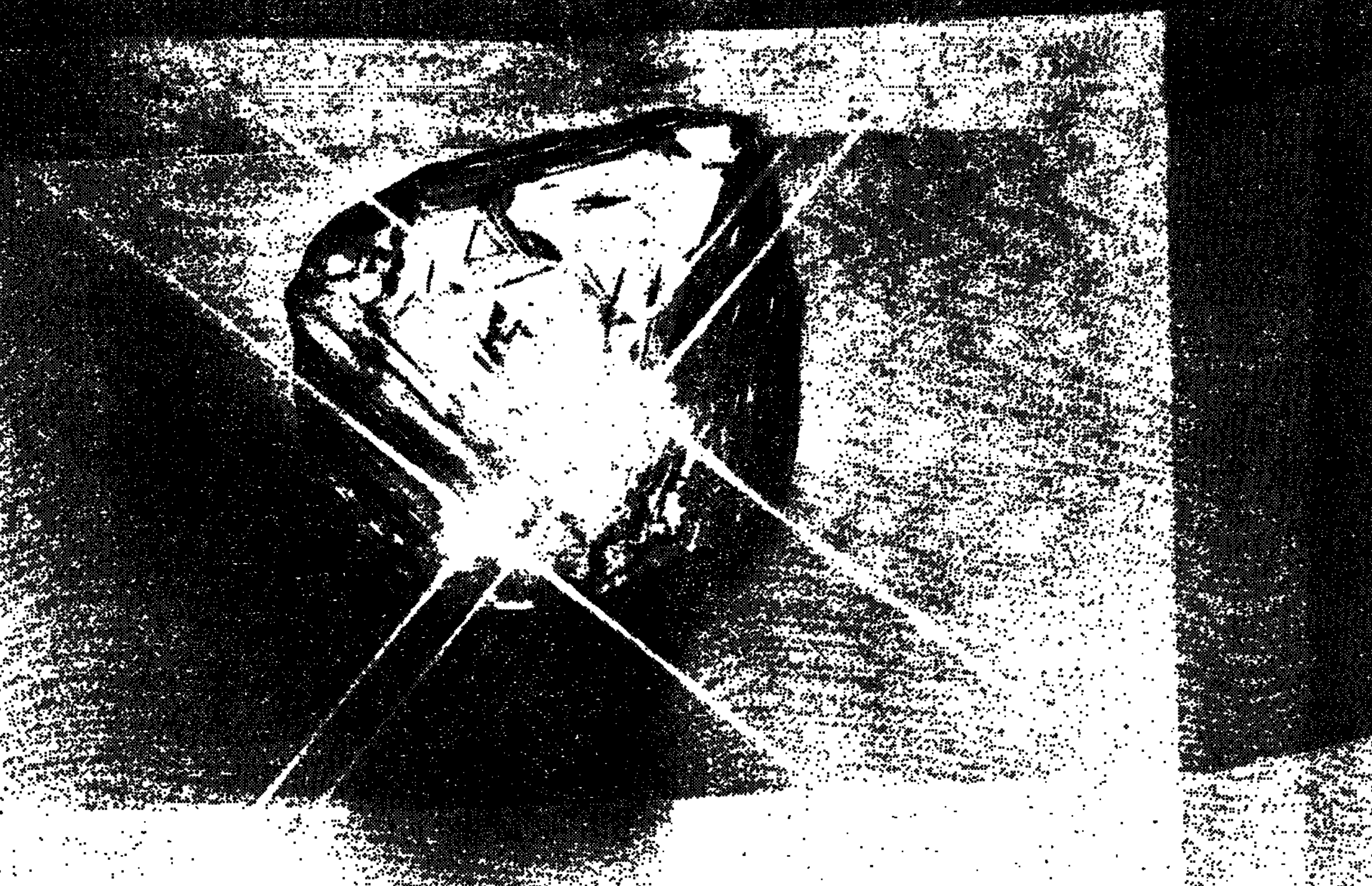
C.C.P. North Sea Associates has purchased 724,600 shares (17.27 per cent.) in Hampton Gold Mining Areas.

MEYER BUYS

Montague L. Meyer has exercised its option (announced in January) to acquire the entire capital of A. Dicken and Son (Tees-Side) and Dicken's Mandale Timber Company.

The purchase price of £2.4m. will be satisfied by the issue of 197,418 fully paid shares and £2,268,519 in cash.

هكذا من الأصل



De Beers in 1977

Mr. H. F. Oppenheimer reports

The year 1977 was a record breaking one for De Beers in all respects. Sales by the Central Selling Organisation amounted to US$2 073 million, an increase of 33% as compared with the previous year. The market was very strong throughout the year and by the end of 1977 the demand for all qualities of goods was at an unprecedented level, in spite of the price increases and the sale to the cutting centres of more carats than ever before. This was due, firstly, to a strong and solid demand for diamond jewellery at the retail level but also to a measure of speculative trading which has in the first months of 1978 risen to a level which must be regarded as unhealthy and unsound. The effect of our substantial price increase last December could not yet have filtered through and been reflected in prices of diamond jewellery, and the premiums above CSO prices being paid for rough in the secondary markets, are certainly quite unrelated to basic consumer demand and well above what in our judgement could be sustained in present circumstances. This speculation reflects an increasing use of diamonds not for jewellery but as a store of value and it is reinforced by fears about the instability of currencies, and a widespread belief among our customers that the very existence of such premiums must induce the CSO to make further substantial increases in its basic selling prices without proper regard to the state of demand by the ultimate consumers of diamonds.

Stocks in the cutting centres are in consequence unduly high and to a large extent they are being financed by credit, some of it based on the premium prices ruling. The dangers of such a situation should there be any downturn in the market need no emphasis. It is the established policy of the CSO to maintain its selling prices at a level which it believes can be maintained on a long-term basis. We will not, therefore, make further increases in our basic selling prices unless and until we are satisfied that such increases are justified in relation to the retail demand for diamonds. On the other hand, in fairness to the producers for whom it acts, the CSO cannot allow such speculative dealing to go on without taking steps to enable the producers to benefit from the premiums that are being paid. Accordingly surcharges at rates judged appropriate at the time of sale will be charged by the CSO until such time as a reasonable relationship has been restored between the market price of rough diamonds and the prices of polished diamonds at the retail level.

Sales of industrial diamonds were also at a record level in 1977, both in respect of natural and synthetic goods. Our research organisation continues to develop new specialised products with great success and the outlook for the current year remains favourable.

The Group's net attributable profits at R623 million were more than double the 1976 figure of R308 million which was a record at the time. Dividends on the deferred shares were increased by 50% from 35 cents to 52.5 cents per share. Allowing for minority interests, the net investments, loan levy and net current assets at 31st December attributable to De Beers amounted to R1 262 million, or 351 cents per deferred share compared with 228 cents the previous year.

Total diamond production by the Group rose to 11.8 million carats as compared with 10.5 million carats in 1976, an increase of 12%.

Far-reaching capital programmes are in progress and others have been initiated to bring about a substantial increase in productive capacity. Most important of all, potentially, is the new mine discovered by De Beers at Jwaneng in Botswana. It will take about four years to bring the mine to production.

After completion of a comprehensive job evaluation an integrated wage scale has been introduced for employees of all races on the Group's mines in South Africa and Namibia. All local black employees, numbering more than 1700, of the Kimberley Division were admitted during the year to membership of the De Beers Pension Fund and the Company made a lump sum payment of R3.5 million to the fund.

Progress continues to be made towards the elimination of the migrant labour system in the Kimberley Division: the proportion of black workers who live locally with their families is now about 60% and is continuing to rise. Agreement has been reached with the authorities for the establishment of financially assisted home ownership schemes for black employees in Kimberley and Koffiefontein, and at CDM the first Ovambo married employees to be housed with their families arrived at Oranjemund in June. Selection and training facilities have been expanded and improved throughout the Group. All this goes a very long way towards eliminating all forms of racial discrimination within our control, and our intention is to remove such anomalies as still exist in the course of the year.

Certain changes have been made in relation to CDM which last year contributed 22% of De Beers' net profit. We have moved the head office of the CDM company to Windhoek and have appropriated in the CDM accounts an amount of R25 million for the purpose, if this proves economically possible, of diversifying our activities in Namibia outside the diamond industry.

Output increases as new sources are found and developed

Exploration

Following successful discoveries of new diamond deposits in Botswana the worldwide search continues.

Development

Development of new mines and expansion programmes will substantially increase group diamond production within the next two years.

Opening

Prime Minister, Chief Leabua Jonathan, who opened the Letseng Mine in Lesotho, November 1977, with Mr. Harry Oppenheimer.

For the full Report & Accounts for 1977 including the Chairman's Statement, please send this coupon to:

The London Secretaries, Room 1,
De Beers Consolidated Mines Ltd.,
40 Holborn Viaduct, London EC1P 1AJ.

Name ____________________

Company ____________________

Address ____________________

____

De Beers Consolidated Mines Limited

(Incorporated in the Republic of South Africa)

INTERNATIONAL FINANCIAL AND COMPANY NEWS

NORTH AMERICAN NEWS

Profit well ahead at Alcan and Alcoa

By David Lascelles

NEW YORK, April 20.

NORTH America's two largest aluminium producers, Alcoa and Alcan, today reported increased earnings for the first quarter and spoke optimistically of prospects for the next three months.

Aluminum Company of America gave net earnings as $53.9m. against $48.9m. in the same period last year with revenues totalling $938.2m. ($844.2m.). Earnings were equivalent to $1.53 a share ($1.40).

Although production of primary aluminium was up 29 000 tons to 380.000 tons compared with the same period last year, shipments dropped 17.000 tons to 430.000 tons. Mr. W. H. Krome George, the company chairman, blamed this on the severe winter and the four-month coal strike which restricted plant operations.

However, he said the company expected shipments to increase in the second quarter. Flat rolled production capacity was "booked solid" with demand for packaging and transportation products still rising. Aluminium demand from the commercial aircraft industry was the *highest in three* years, he said, with orders extending into 1979.

Mr. Krome George also based his optimism on the fact that customers' inventories were unusually low for the current level of industrial activity.

Alcan Aluminium reported net earnings of $60m. ($1.48 a share) against $35.5m. ($0.88) in the first quarter last year. Revenue was £822.3m. ($741.5m.).

Total aluminium shipments reached 394.300 tons in the quarter compared with 378.000 tons a year earlier and 367.500 tons in the last quarter of 1977.

The company said sales in the first quarter were "closely in line" with production levels. Sales prospects for the next quarter are "strong" the company added, though it gave no indication of its earnings expectations.

A and P earnings fall despite $7.3bn sales peak

BY JOHN WYLES

NEW YORK, April 20.

THE RECOVERY programme of the Great Atlantic and Pacific Tea Company (A and P), one of the world's largest grocery chains, faltered badly last year when net profits tumbled by 80 per cent. on record total sales of close to $7.3bn.

Founded by the Huntington Hartford family, A and P has been struggling to regain a profitable footing since it suffered a $157.1m. loss in 1974. The company went outside for a new chairman and recruited Mr. Jonathan L. Scott from the Idaho supermarket chain, Albertson's.

Since then, the number of A *and P supermarkets has been* slashed from 3,468 to 1,900 and half a dozen new hypermarket stores opened in the south west under the family centres trading name. These and other efforts have had some impact on sales, but A and P still is fighting to improve its image among consumers.

In its fiscal year ended February 25, the company reported to-day net earnings of $4.79m. or 19 cents a share compared to $23.78m. last year. Sales increased from $7.235bn. to $7.288bn.

*This profits slide is not unfore*seen given the fact that A and P lost money in its third quarter after two previous quarters of depressed earnings. The company, however, will take some comfort from its fourth quarter performance of $1.86m. net profit compared to $1.71m. last year. Analysts think it likely that this reflected a softening of competition in some of A and P's key marketing areas. However, the latest quarterly results included extraordinary credits of $200,000 and the full year profits of $1.6m. or 6 cents a share tax credit.

Pacific Gas shows sales fall

SAN FRANCISCO, April 20.

PACIFIC GAS and Electric's first quarter earnings decline to 60 cents a share from 78 cents was due to lower sales of gas and electricity, the president Mr. John F. Bonner told the annual meeting. Net earnings for the quarter fell from $69.2m. to $58.8m. on sales of $916.9m. compared with $844.6m.

Mr. Bonner said although milder temperatures were a factor in the reduced energy consumption, customer conservation efforts were also a significant factor.

Pacific Gas' estimated requirement for new generating capacity in the next five years will be 4.4m. kilowatts less than previously planned.

This lower requirement will reduce capital expenditures by over $2.70bn. in the next five years.

Reuter

Earnings double in first quarter at Inland Steel

BY STEWART FLEMING

NEW YORK, April 2[illegible]

STRONGER demand and higher prices are lifting the profits of several major U.S. steel companies from the seriously depressed levels hit last year. Inland Steel, the fifth largest U.S. steel producer and in recent years the most consistently profitable of the leading producers, has reported first quarter earnings of $24.2m., more than double the $12.0m. earned in the first quarter of 1977.

Inland's earnings per share have risen from 57 cents in the first quarter of last year to $1.16.

To some extent, the big increase *in profits reflects* the abnormally depressed conditions in the industry in the first quarter of last year as a result of severe weather and accompanying energy problems. But Inland's first quarter sales revenues have increased by 20 per cent. to $756.4m. and raw steel production is up 15 per cent., indicating that underlying demand is strong. In addition, earnings are well above the third and fourth quarter levels of last year.

The Inland chairman, Mr. Frederick Jaikes, underlined the strong earnings performance, saying that the company is experiencing very strong demand for steel mill products and expects capacity operating levels to prevail during the second quarter. Together with a more favourable outlook for other divisions, this led him to forecast improved earnings in the second quarter too.

Inland's figures tend to confirm the *picture presented ear*lier in the week by the nation's fourth largest producer, Republic Steel. In the first quarter, Republic earned a profit of $9.8m. (60 cents a share) compared with the loss of $8.2m. incurred in the first quarter of last year. The company's steel shipments were up 20 per cent. and production up 14 per cent.

The industry leaders, United States Steel and Bethle[illegible] Steel—the latter suffered a [illegible] of $448m. last year—have ye[illegible] report their first quarter figu[illegible]

One factor in the profits [illegible]covery the industry is now [illegible]periencing will have been [illegible] 5.2 per cent. price incr[illegible] which came into effect in Fe[illegible]ary, coupled with the elim[illegible]tion of some price discount[illegible] a result of stronger demand.

But industry executives still claiming that they have to see any benefit from Government's trigger p[illegible] mechanism to curtail steel [illegible]ports, which came *into effect* March. Mr. Jaikes of In[illegible] remarked in his quarterly st[illegible]ment that "record imports w[illegible] experienced in January [illegible] February as foreign produc[illegible] facing early deadlines for t[illegible] illegal dumping practices [illegible]deavoured to gain as much [illegible]vantage as possible before [illegible] trigger prices became [illegible] effective."

Ford again raises car prices

BY OUR OWN CORRESPONDENT

NEW YORK, April 20.

FORD MOTOR Company, taking advantage of the leeway offered by a new wave of price increases on imported cars, has raised sticker prices on its domestic small cars for the second time in three months.

The decline of the dollar on the international exchanges over the past four months has forced most of the major importers into the U.S. to boost their prices. Last week Toyota announced its fifth increase in 12 months and more recently Nissan USA pushed up the prices of its Datsun cars and trucks by an identical 5.4 per cent. Toyota is the leading car importer into the U.S. and Datsun number two, but so far neither company's sales appear to have been hit by the series of price rises—Toyota's sales are up 5.3 per cent. in the first quarter and Datsun's 8.8 per cent.

Both Ford and General Motors priced their small cars extremely competitively last September in a bid to beat off the import challenge and in the process offered a range of extras rolled up in the base price. The companies acknowledged that profit margins on these cars were extremely tight and have been glad to raise the margins through price increases as the importers have responded to currency pressures.

Since November, GM has raised the price of its Chevette small car, whose sales are more than 60 per cent. up on last year, by up to $205. Ford's latest price increase averages 1.9 per cent. and means that the total increase since last autumn has been around $185 per model.

A T & T sees good year

MIAMI BEACH, April 20.

AMERICAN TELEPHONE and Telegraph chairman, Mr. John D. Debutts, told shareholders at the annual meeting to-day that experience so far this year suggests 1978 will be a year of stronger growth than was anticipated at the beginning of the year.

AT and T earlier reported earnings for the January-March quarter of $1.28m., or $1.91 a share, against $1.06m., or $1.65 a share in 1977, on revenues up from $8.74bn. to $9.86bn.

Mr. Debutts said the increases came despite a statement in the annual report that it would be unrealistic to expect the same degree of acceleration in demand experienced in 1977 to continue through 1978. But he was still cautious about earnings growth rates in 1978—last year's figure was 15 per cent.

Mr. Debutts said 1978 capital spending would be about $600m. more than the $12.8bn. projected in the annual report. The difference is almost entirely attributable to revised estimates of growth by Bell System operating companies.

AT and T has still to learn what information the Justice Department intends to take to trial, information which he termed vital for the preparation of an adequate defence. Reuter

Strong start at Bristol-Myers

NEW YORK, April 20.

BRISTOL-MYERS the toiletries and medicine group announced net earnings for the first quarter of 63 cents a share against 55 cents previously. Total net earnings increased to $40.5m. from $35.2m. Sales of $573.8m. compare with $538m.

Bristol-Myers, in reporting higher first quarter earnings also reported that it was agreed to settle some of the suits involving ampicillin. The settlement provides for the resolution of all claims with all retailers wholesalers and private hospitals.

The cost of the settlement has been fully provided for by the company it said.

Agencies

Marine Midland on bid benefit

BUFFALO, April 2[illegible]

THE proposed injection of capital by Hongkong and Shanghai Banking Corporation into Marine Midland Banks would allow the U.S. banking company to expand substantially, Mr. Edward W. Duffy, Marine chairman, said at the annual meeting here.

The proposed $200m. of new capital will enable Marine Midland "to support a minimum of $2.5bn. to $3bn." in new loans and investments, Mr. Duffy added.

"It will put a whole new dimension on the company's ability to grow faster and far better to serve all our markets," he said.

Under the proposal, Hongkong would buy a $100m. Marine Midland note that would be convertible into more than 3.3m. shares at $30 each. Hongkong also would buy another 3m. or so shares from present stockholders at up to $20 each.

In adidtion, Hongkong would buy still another 3.3m. shares for $100m. by December 1980, giving it 51 per cent. ownership of Marine Midland.

One stockholder at yesterday's meeting complained that the per-share price offered is too low. He said that Marine Midl[illegible] on a per-share basis, has a [illegible] worth, or shareholder capital[illegible] tion, of almost $35.

Another said he would tender his stock, "for less [illegible] $30" each. Mr. Duffy decli[illegible] to answer further questions [illegible] the Hongkong proposal, say[illegible] that he feared anything he [illegible] might appear to be a soli[illegible]tion of proxies.

He said that stockholder q[illegible]tions would be answered a[illegible] special meeting to be cal[illegible] later. Proxy material for [illegible] meeting will be mailed "wi[illegible] the next few months."

Agencies

Car makers' notes priced

By Our Own Correspondent

RICHMOND, April 20.

TERMS were set here to-night for the $500m. worth of notes being offered simultaneously by the two largest U.S. car makers, General Motors and Ford.

Ford's $150m. worth of notes due 1984 were priced at 99.7 with a coupon of 8⅜ per cent. to yield 8.44 per cent. at maturity and its $150m. worth of notes due 1988 were priced at 99.6 with a coupon of 8.5 per cent., to yield 8.56 per cent.

GM's $200m. worth of ten-year subordinated notes were priced at par with a coupon of 8⅜ per cent.

Bethlehem Steel sells oil drilling platform to China

BY OUR OWN CORRESPONDENT

NEW YORK, April 20.

BETHLEHEM STEEL the second largest steel company in the U.S., and a leading oil drilling platform manufacturer, has made what it believes to be the first *sale of an oil rig by a U.S.* concern to the Republic of China.

Bethlehem said that the drilling platform is being constructed at its Singapore yard following the signature of a contract with Chinese authorities on April 10.

The Chinese will pay some $20m. to $25m. for the rig and Bethlehem is hopeful that fur*ther sales to China may be* a possibility.

It is not clear, however, whether Bethlehem itself is currently negotiating to construct additional rigs.

Profits down at Monsanto

MONSANTO announced that [illegible] quarter net earnings fell to $[illegible] a share from $4.01. Total earnings fell to $135.7m. [illegible] $147.9m. Sales of $1.3bn. [illegible]pared with $1.3bn. Fully-dilu[illegible] per share earnings were $[illegible] against $3.95.

Foreign currency chan[illegible] penalized first quarter earni[illegible] this year by 35 cents a sh[illegible] compared with 10 cents a s[illegible] in the year ago period the [illegible]pany said.

Fraser doubles

FRASER Companies, the New Brunswick pulp and paper concern controlled by the Noranda group, earned $C4.9m. ($U.S.4.2m.) or $C2.10 a share in the first quarter against $C2.3m. or $C1.02 a year earlier, writes our Montreal Correspondent. Sales were $C60m. ($U.S.52m.) against $C48m. Foreign exchange gain accounted for $C1.03 per share of earnings, against 53 cents. Demand has been strong for pulp, paper and lumber.

Bell issue

Bell Canada, the largest telephone utility in the country is going ahead with a $C175m. issue of convertible Preferred shares following approval by the regulatory authority, writes our Montreal correspondent. The company will issue 7m. $C1.96 cumulative redeemable voting Preferred shares with a par value of $C25 each to yield 7.84 per cent. These shares will be convertible for 12 years into Bell common on the basis of two common for five Preferred.

Petrofina Canada growth plans

BY ROBERT GIBBENS

MONTREAL, April 20.

WHILE Petrofina Canada is extending its activities in oil and gas exploration and production in Western Canada and becoming more involved in the Alberta Tar Sands planning, "we will continue intensifying our expansion programme in the petrochemical sector," the president, Mr. Pierre Nadeau, told the annual meeting.

Last year, petrochemical sales rose 50 per cent. over 1976 and "this is an encouraging indication for years to come."

The company in 1977 was the most important producer of aromatics in Canada and it was the first Canadian company to finalise a major sale of benzene to Japan.

Capital spending in 1978 will be up 10 per cent. to $C50m., half going to exploration and production mostly in Alberta. Refining and manufacturing will get $C19m. out of which $C10m. is allocated to antipollution measures. The remaining $C6m. will be spent in the marketing sector to raise efficiency in the marketing outlets.

Consumption of refined products rose by only 2 per cent. in Canada last year, and "we anticipate an even lower rate this year." This is not "far removed from a zero-growth situation."

However, Petrofina's Montreal refinery has reached 80 per cent. utilisation, though it has to go along with the very low margins available because of severe overcapacity. However, Federal and Alberta Government policies have "given renewed hope to the industry."

Trust companies off to good start

BY JAMES SCOTT

TORONTO, April 20.

THE second and third largest Canadian trust companies have reported sharp profit increases for the first quarter of 1978.

Canada Trustco Mortgage Company had a profit of $C1.16m. ($U.S. 1.01m.) for the quarter, up 30 per cent. from $C8.29m. a year earlier. Revenue rose 15 per cent. to $C117.6m. from $C101.8m. The company says, however, that recent increases in the general level of interest rates will have a negative impact on its results in the second and later quarters, and subsequent upward pressure on interest rates seems probable. At March 31, total assets were $C4.59bn., up from $C3.8bn.

Meanwhile, Canada Permanent Mortgage Corporation reported a profit increase of 9 per cent. to $C3.95m. from $C3.64m. while revenue rose to $C170m. from $C90m. Assets rose to $C4.18bn. from $C3.44bn..

AMERICAN QUARTERLIES

AMERICAN BRANDS

First Quarter	1978 $	1977 $
Revenue	1.3bn.	1.1bn.
Net profits	56.0m.	42.0m.
Net per share	2.10	1.55

AVON PRODUCTS

First Quarter	1978 $	1977 $
Revenue	365.0m.	309.0m.
Net profits	32.0m.	26.0m.
Net per share	0.55	0.45

BECKMAN INSTRUMENTS

Third Quarter	1978 $	1977 $
Revenue	88.0m.	73.0m.
Net profits	6.0m.	4.0m.
Net per share	0.66	0.04

BORDEN

First Quarter	1978 $	1977 $
Revenue	844.0m.	824.0m.
Net profits	28.0m.	26.0m.
Net per share	0.89	0.85

BURLINGTON INDS.

Second Quarter	1978 $	1977 $
Revenue	607.0m.	598.0m.
Net profits	17.0m.	24.0m.
Net per share	0.60	0.83

CESSNA AIRCRAFT

Second Quarter	1978 $	1977 $
Revenue	166.0m.	159.0m.
Net profits	5.0m.	10.0m.
Net per share	0.62	1.15

CLARK EQUIPMENT

First Quarter	1978 $	1977 $
Revenue	336.0m.	338.0m.
Net profits	21.0m.	17.0m.
Net per share	1.52	1.21

CLUETT PEABODY

First Quarter	1978 $	1977 $
Revenue	137.8m.	138.4m.
Net profits	4.9m.	4.8m.
Net per share	0.49	0.48

COMMONWEALTH EDISON

First Quarter	1978 $	1977 $
Revenue	615.0m.	513.0m.
Net profits	52.0m.	48.0m.
Net per share	0.69	0.76

CONS. FREIGHTWAYS

First Quarter	1978 $	1977 $
Revenue	319.0m.	243.0m.
Net profits	11.0m.	8.0m.
Net per share	0.91	0.66

CONTINENTAL

First Quarter	1978 $	1977 $
Revenue	—	—
Net profits	61.0m.	42.0m.
Net per share	1.15	0.79

CONTINENTAL GROUP

First Quarter	1978 $	1977 $
Revenue	922.0m.	870.0m.
Net profits	25.0m.	28.0m.
Net per share	0.66	0.94

ENGELHARD MIN. & CHEM.

First Quarter	1978 $	1977 $
Revenue	1.6bn.	1.5bn.
Net profits	25.0m.	29.0m.
Net per share	0.80	0.92

FIRST BOSTON

First Quarter	1978 $	1977 $
Revenue	17.0m.	18.0m.
Net profits	*685,000	137,000
Net per share	—	0.05

*Loss.

FRUEHAUF

First Quarter	1978 $	1977 $
Revenue	480.0m.	421.0m.
Net profits	14.0m.	10.0m.
Net per share	1.14	0.86

GAF

First Quarter	1978 $	1977 $
Revenue	236.0m.	209.0m.
Net profits	4.0m.	6.0m.
Net per share	0.24	0.40

GILLETTE

First Quarter	1978 $	1977 $
Revenue	399.0m.	387.0m.
Net profits	22.0m.	25.0m.
Net per share	0.74	0.83

GOULD

First Quarter	1978 $	1977 $
Revenue	440.0m.	377.0m.
Net profits	25.0m.	21.0m.
Net per share	0.94	0.86

W. R. GRACE

First Quarter	1978 $	1977 $
Revenue	909.0m.	963.0m.
Net profits	50.0m.	64.0m.
Net per share	0.65	0.90

HEUBLIN

Third Quarter	1978 $	1977 $
Revenue	371.0m.	355.0m.
Net profits	11.0m.	7.0m.
Net per share	0.52	0.34

KAISER STEEL

First Quarter	1978 $	1977 $
Revenue	174.0m.	150.0m.
Net profits	*4.5m.	4.5m.
Net per share	—	0.61

*Loss.

MINN. MINING & MAN.

First Quarter	1978 $	1977 $
Revenue	1.1bn.	935.0m.
Net profits	119.0m.	87.0m.
Net per share	1.03	0.75

NALCO CHEMICAL

First Quarter	1978 $	1977 $
Revenue	108.3m.	104.9m.
Net profits	16.5m.	11.6m.
Net per share	0.53	0.08

NAT. DISTILLERS & CHEM.

First Quarter	1978 $	1977 $
Revenue	421.0m.	387.0m.
Net profits	22.0m.	21.0m.
Net per share	0.84	0.80

RALSTON PURINA

Second Quarter	1978 $	1977 $
Revenue	1.0bn.	951.0m.
Net profits	39.0m.	35.0m.
Net per share	0.36	0.32

PRUDENTIAL GROUP

Third Quarter	1978 $	1977 $
Revenue	997,000	1.3m.
Net loss	54,000	16,000
Net per share	—	0.02

PULLMAN

First Quarter	1978 $	197[illegible] $
Revenue	500.0m.	467[illegible]
Net profits	4.0m.	6[illegible]
Net per share	0.35	[illegible]

R. J. REYNOLDS

First Quarter	1978 $	197[illegible] $
Revenue	1.6bn.	551[illegible]
Net profits	95.0m.	88[illegible]
Net per share	1.84	[illegible]

SECURITY PACIFIC

First Quarter	1978 $	197[illegible] $
Revenue	—	[illegible]
Net profits	30.0m.	24[illegible]
Net per share	1.40	[illegible]

SOUTHLAND

First Quarter	1978 $	19[illegible] $
Revenue	649.0m.	537[illegible]
Net profits	7.0m.	6[illegible]
Net per share	0.38	[illegible]

VIRGINIA ELECT. & POW[illegible]

First Quarter	1978 $	19[illegible] $
Revenue	392.0m.	345[illegible]
Net profits	54.0m.	43[illegible]
Net per share	0.51	[illegible]

WARNER COMM.

First Quarter	1978 $	19[illegible] $
Revenue	312.5m.	253[illegible]
Net profits	20.4m.	18[illegible]
Net per share	1.50	[illegible]

EUROBONDS

Sterling sector stabilising

BY FRANCIS GHILES

The eurobond markets had a quieter day yesterday. The dollar sector saw some active trading but prices were some*what easier on the day, part of* the fall attributable to the bad condition of the U.S. domestic bond market. The TVO issue was priced at par with terms otherwise unchanged.

The sterling sector seems to be stabilising: prices rose earlier on in the day and fell back later with no sign of the kind of institutional buying which could help prices.

The Deutschemark sector was very quiet with turnover remaining small. The Province of Quebec DM150m. issue is expected to be priced to-day.

The unit of account $25m. issue for the city of Copenhagen was confirmed yesterday by the lead manager, Kredietbank Luxembourgeoise. Terms are unchanged from those previously announced: an indicated coupon of 7 per cent. and a 15 year maturity.

In the Swiss Franc sector, the province of Manitoba is raising a Sw.Frs.100m. 15-year bond with an indicated coupon of 4 per cent. The average life of the bonds which have been priced at 99½ to yield 4.04 per cent.

هكذا من الأصل

INTL. FINANCIAL AND COMPANY NEWS

EEC to probe Japan's bank controls

BY YOKO SHIBATA

TOKYO, April 20.

THE EUROPEAN Community will dispatch Mr. Christopher Tugendhat, a member of the European Commission, to Japan in early May to investigate the question of discriminatory treatment against foreign banks by the Japanese Monetary Authority, it was revealed by the European Community Delegation in Tokyo to-day. Dissatisfaction with the way in which the Japanese money market is protected and strictly controlled by the Government authority is rife among the 60 foreign banks, with 80 branches, in Japan (22 American, eight British, six French, and five West German).

The European Community wants to investigate: The regulation of expansion of branches by foreign banks; discriminatory tax levies on foreign banks; and the regulation of foreign banks' participation in money and securities markets—according to the EEC Office in Tokyo.

Foreign bankers believe that since Japanese banks are free to expand overseas activities, reciprocal treatment for foreign banks should be authorised in Japan.

According to the Ministry of Finance, most of the foreign banks feel difficulty in obtaining authority for the expansion of space for their branches, and in there being complicated application forms and procedures for the opening of new branches.

Complaints by foreign banks have been strengthening, along with increasing difficulties in financial activities facing them since last autumn. Foreign banking's traditional field in Japan was that of the so-called impact loans to Japanese companies which could not borrow sufficient funds for capital investment from Japanese banks in the period of high economic growth. Foreign banks' loan activities reached a peak in September, 1973, to September, 1974, when their balance of loans jumped by 50 per cent.

However, foreign banks have been hit by stagnant loan demand resulting from the protracted recession, and also by their relatively high interest rates. There is a movement among Japanese companies to repay impact loans ahead of the expiration date. The relatively high foreign banks' interest rates result from their obtaining funds in the Euro-dollar market, for instance, while Japanese banks raise funds through the local market.

According to the Ministry of Finance, foreign banks are appealing strongly for participation in the Japanese call market, issues of certificates of deposits, bond issues by financial organisations and yen bond issues by foreign banks. According to foreign banking sources, Citicorp's application for a yen bond issue on the Tokyo capital market last week was a direct appeal for the opening of the Japanese capital market.

According to financial sources, the Ministry of Finance is trying to avoid a "Japan-U.S. or Japan-Europe banking war" and is contemplating the withdrawal of some regulations on foreign banks this year.

● The Ministry of Finance held the first meeting of the Subcommittee of the Monetary System Study Council on the subject of the establishment of issue of centicates of deposit yesterday.

Abercom co-founder resigns

BY RICHARD ROLFE

JOHANNESBURG, April 20.

THE AFFAIRS of Abercom, the South African engineering group, took a new turn to-day with the announcement that Mr. David Lurie, co-founder of the group with Mr. Murray McLean, is to resign in order "to be free to pursue other interests."

The element of surprise is provided by the fact that Primrose Industrial, the brick group of which Mr. Lurie was also chairman, has just been taken over by the diversified sugar group, Tongaat. Mr. Lurie resigned the Primrose chairmanship after confirmation of the take-over and did not take up the offer of a seat on the Tongaat Board, so it was generally assumed he would devote all his time in future to Abercom. Primrose itself was a subsidiary of Abercom until four years ago, when it was "spun off," the origin of Mr. Lurie's chairmanship of both companies.

Abercom shares have been strong over the past 10 days, rising 40 cents to 190 cents before boiling over to-day to 180 cents, with volume up to 50,000 shares per day. Local brokers say that a number of institutions which sold all or part of their Primrose shareholding before the shares were suspended have recently decided to reinvest in Abercom. Despite the Tongaat take-over, the suspension of Primrose shares continues because of negotiations to acquire a small anthracite producer, Aloe Minerals, from Rembrandt Group.

Mr. Peter Herbert, Abercom's new deputy chairman and managing director, said to-day that "no bid approach has been received." No financial news is expected from Abercom, which has a June 30 period, until the preliminary figures in mid-August. The interim figures published in late February showed pre-tax profit down from R5.9m. to R3.5m. and a cut in the half-time dividend from 10 cents to 8 cents. A total dividend of 20 cents is generally expected, putting the shares on a yield of 11.1 per cent.

In a reference to the earlier appointment of Mr. Herbert and to to-day's appointment of Mr. D. Ord, the present deputy chairman, to the chairmanship, Mr. Lurie said that he felt the present structure of the group was sound. Mr. Herbert said that he was "convinced the management is sound and pointed in the right direction." Prior to taking up his present appointment, Mr. Herbert was special representative for Gallaher in Southern Africa.

Liquidation move for VIP Insurances

By Kenneth Randall

CANBERRA, April 20.

A PROVISIONAL liquidator today began dismissing staff of VIP Insurances Proprietary, a Sydney-based motor vehicle and general insurer with about 40,000 current policyholders. In the New South Wales Supreme Court yesterday an affidavit seeking the appointment of a liquidator said that about $A1.9m. ($US2.2m.) in assets of the company was missing, as was the chairman and major shareholder, Mr Igal Makler.

A firm of solicitors told the court that Mr. Makler had informed them on April 15 that he was in Tel Aviv and intended to stay in Israel indefinitely on private business.

The New South Wales government has appointed an inspector under the Companies Act to investigate the affairs of VIP Insurances and has alterted Interpol also about Mr. Makler's disappearances.

Earlier this week the Australian Federal Government froze the assets of the company and directed it to write no more business. This action followed the receipt of an inspector's report which showed that the company could not meet statutory solvency requirements.

VIP Insurances has been an aggressive marketer of motor vehicle insurance in New South Wales making extensive use of television advertising. Mr. Makler is well known in sporting circles in Sydney through his company's sponsorship of the South Sydney Rugby League Football Club.

The VIP case is the first default of an insurance company in Australia in five years. The company is not known to have any affiliation with major insurers and its failure is not regarded as significant for the industry as a whole.

In yesterday's court proceedings the company's accountant said he had discovered that bank-endorsed bills of exchange valued at about $A1.4m. were missing. He said he had also discovered that $A505,000, the proceeds of a sale of shares of a subsidiary company which should have been paid into an interest-bearing deposit at the ANZ Bank, had in fact been deposited to the account of the company which bought the shares and that account had been closed.

A formal hearing to examine the company's affairs further has been set down for May 23.

Good half-year for Straits Times Press

BY H. F. LEE

SINGAPORE, April 20.

LEADING Singapore newspaper publishing firm, Straits Times Press (1975), and its sister company, Times Publishing, appear poised for another buoyant year judging from their interim figures.

Group pre-tax profit for the half-year to end-February at Straits Times Press rose by 18.3 per cent. compared with the corresponding period of the previous year, to S$3.04m. (US1.3m.) while turnover was per cent. higher at S$22.3m. (US9.6m.).

The higher earnings came from increased trading profit as well investment income. Pre-tax trading profit rose by 17 per cent. to S$2.86m. while investment income was 41 per cent. higher at S$176,000.

In the case of Times Publishing group pre-tax earnings rose by 11.5 per cent. to S$10.27m. ($US4.41m.).

Pre-tax trading profit increased by 21.4 per cent. to S$8.59m. on an 18.4 per cent. rise in turnover to S$68.8m. However, investment income fell sharply from S$2.1m. previously to S$1.68m.

As forewarned earlier, both companies have decided not to raise dividend payments. Straits Times Press has declared a gross interim dividend of 10 per cent.—the same as the previous year's payments after adjusting for its recent one-for-two scrip issue.

Times Publishing is paying an interim gross dividend of 7½ per cent., slightly higher than the adjusted figure of 7.14 per cent. last time due to rounding off.

Straits Times Press publishes Singapore's only English language daily newspapers while Times Publishing is engaged in magazine publishing, printing and packaging.

Boustead rights

BOUSTEAD Company Singapore, an established Singapore trading house, has announced a rights issue of two shares for every seven shares held at S$1.25 per share. The rights issue will raise the company's existing issued capital of S$15.6m. to S$20m. The last traded price of Boustead's S$1 shares prior to the announcement was S$1.78.

The announcement follows the company's disclosure of higher profit for the year ended December, 1977. Preliminary figures show pre-tax profit up by 4.6 per cent. at S$6.3m. ($U.S.2.7m.) against a 13 per cent. increase in turnover to S$88.45m. ($U.S.38.03m.)

The company has declared a final gross dividend of 7½ per cent. and a bonus dividend of 2½ per cent. which brings the total for the whole year to 12½ per cent., the same as for 1976.

American Express International Finance Corporation N.V.

U.S. $40,000,000

Guaranteed Floating Rate Notes Due 1982

Extendible at the Noteholder's Option to 1985

Notice is hereby given pursuant to Condition 5 of the Terms and Conditions of the above-mentioned Notes that the Rate of Interest (as therein defined) for the first Interest Period (as therein defined) from 20th April, 1978 to 20th October, 1978 is at the annual rate of 8 per cent. The initial Interest Payment Date (as therein defined) will be 20th October, 1978. The U.S. Dollar amount (the Coupon Amount as therein defined) to which each holder of Coupon No. 1 will be entitled on duly presenting the same for payment will be U.S. $40.67 subject to appropriate adjustment thereto (or the making of other appropriate arrangements of whatever nature) which we may make without further notice, in the event of an extension or shortening of the above-mentioned Interest Period.

EUROPEAN BANKING COMPANY LIMITED (Agent Bank)

21st April, 1978

15TH MAY 1978 REDEMPTION

PROVINCE OF NOVA SCOTIA (CANADA)

U.S. $15,000,000 9% Bonds 1985

DRAWING OF BONDS

Notice is hereby given that a drawing of bonds of the above loan took place on 7th April 1978 attended by Mr. Keith Francis Croft Baker of the firm of John Venn & Sons, Notary Public, when 1,000 bonds for a total of U.S.$1,000,000 nominal capital were drawn for redemption at par on 15th May 1978, from which date all interest thereon will cease. The nominal amount of this loan remaining outstanding after 15th May 1978 will be U.S.$9,000,000.

The following are the numbers of the bonds drawn:-

18	34	42	43	46	63	90	102	133	136	139	194	206	225	239	243	248	249	258	261
263	265	271	283	295	310	314	349	376	378	398	427	429	539	562	567	573	584	589	612
[illegible]	631	633	640	646	662	679	681	685	700	729	767	772	778	785	794	800	802	805	824
[illegible]	902	964	1007	1024	1031	1044	1047	1054	1059	1060	1061	1063	1073	1079	1103	1109	1120	1124	1136
[illegible]	1158	1166	1168	1173	1181	1197	1202	1214	1228	1255	1264	1266	1274	1280	1296	1309	1347	1376	1384
[illegible]	1391	1394	1418	1429	1435	1438	1455	1457	1468	1505	1509	1540	1577	1580	1598	1611	1626	1628	1635
[illegible]	1679	1689	1718	1748	1757	1761	1792	1794	1801	1811	1813	1834	1890	1917	1920	1927	1942	1952	2009
[illegible]	2058	2067	2087	2093	2098	2109	2117	2121	2125	2138	2154	2216	2218	2219	2241	2244	2247	2262	2387
[illegible]	2361	2366	2379	2385	2393	2394	2404	2416	2423	2443	2449	2462	2489	2529	2577	2589	2591	2609	2619
[illegible]	2647	2656	2658	2666	2674	2684	2705	2706	2714	2757	2759	2760	2776	2785	2786	2800	2852	2859	2867
[illegible]	2879	2894	2896	2908	2917	2918	2921	2942	2943	2983	3000	3014	3016	3032	3066	3070	3093	3101	3105
[illegible]	3118	3132	3137	3151	3157	3168	3179	3208	3210	3211	3214	3243	3257	3273	3284	3314	3316	3336	3360
[illegible]	3396	3399	3417	3426	3441	3446	3448	3462	3494	3495	3525	3539	3575	3580	3585	3592	3621	3647	3648
[illegible]	3687	3718	3720	3726	3751	3833	3843	3844	3855	3863	3867	3870	3882	3905	3920	3958	3969	3974	3995
[illegible]	4029	4077	4086	4108	4110	4142	4143	4144	4170	4172	4190	4253	4266	4269	4280	4315	4333	4379	4433
[illegible]	4445	4446	4470	4475	4487	4535	4637	4649	4654	4678	4704	4705	4729	4743	4744	4746	4785	4801	4812
[illegible]	4861	4874	4879	4893	4897	4900	4914	4980	4981	4987	4996	5011	5012	5035	5037	5046	5050	5059	5060
[illegible]	5150	5177	5202	5215	5237	5256	5264	5274	5278	5282	5294	5297	5318	5325	5336	5356	5358	5381	5398
[illegible]	5425	5428	5431	5441	5490	5508	5511	5519	5525	5539	5559	5562	5564	5591	5592	5610	5616	5625	5627
[illegible]	5650	5659	5671	5673	5713	5743	5775	5788	5793	5794	5799	5803	5804	5898	5907	5916	5919	5950	5969
[illegible]	5974	5980	5988	5995	6010	6046	6054	6066	6072	6097	6117	6125	6143	6158	6172	6174	6192	6196	6247
[illegible]	6255	6260	6263	6290	6320	6331	6339	6350	6399	6402	6442	6461	6505	6564	6575	6605	6619	6651	6657
[illegible]	6663	6668	6669	6674	6693	6711	6717	6739	6773	6784	6798	6799	6800	6833	6860	6865	6876	6878	6906
[illegible]	6951	6965	7006	7041	7043	7045	7058	7068	7070	7119	7138	7143	7148	7170	7198	7202	7207	7214	7222
[illegible]	7232	7237	7268	7277	7285	7302	7306	7323	7342	7368	7381	7407	7434	7439	7448	7469	7478	7486	7564
[illegible]	7577	7584	7586	7651	7654	7679	7685	7691	7711	7713	7724	7725	7732	7738	7760	7769	7788	7789	7791
[illegible]	7803	7820	7825	7865	7884	7902	7929	7934	7939	7947	7953	7963	7976	7988	8007	8018	8021	8038	8075
[illegible]	8101	8115	8116	8176	8190	8255	8265	8334	8345	8351	8353	8355	8357	8364	8369	8372	8378	8380	8391
[illegible]	8419	8429	8452	8542	8551	8559	8565	8597	8598	8609	8631	8688	8701	8751	8753	8754	8756	8763	8770
[illegible]	8793	8801	8826	8827	8839	8851	8856	8860	8862	8871	8878	8888	8895	8939	8980	8986	8991	9001	9016
[illegible]	9023	9024	9031	9033	9047	9057	9071	9094	9095	9098	9111	9139	9141	9153	9158	9166	9176	9183	9194
[illegible]	9208	9211	9271	9275	9276	9302	9321	9339	9353	9354	9359	9366	9385	9401	9407	9410	9417	9440	9467
[illegible]	9538	9549	9572	9597	9598	9599	9605	9615	9669	9685	9716	9753	9767	9780	9788	9795	9801	9827	9831
[illegible]	9852	9870	9892	9909	9915	9922	9932	9941	9942	9955	9985	10044	10049	10057	10081	10088	10092	10102	10111
[illegible]	10140	10152	10170	10213	10217	10218	10228	10231	10247	10250	10280	10298	10313	10319	10335	10371	10375	10399	10401
[illegible]	10442	10453	10456	10465	10478	10489	10498	10514	10530	10531	10587	10589	10596	10599	10610	10611	10613	10623	10630
[illegible]	10671	10684	10697	10706	10734	10754	10772	10782	10784	10788	10791	10796	10827	10830	10840	10842	10843	10844	10848
[illegible]	10866	10883	10889	10900	10915	10929	10950	10956	10957	10974	10996	11003	11015	11029	11058	11067	11069	11100	11167
[illegible]	11213	11227	11241	11248	11263	11288	11294	11298	11331	11360	11363	11367	11373	11377	11381	11394	11399	11413	11441
[illegible]	11474	11480	11484	11498	11514	11521	11548	11555	11561	11570	11571	11581	11585	11664	11683	11694	11712	11716	11723
[illegible]	11760	11771	11774	11775	11785	11802	11835	11837	11856	11867	11869	11893	11905	11918	11923	11925	11936	11957	11968
[illegible]	11973	11981	11999	12005	12028	12029	12064	12073	12096	12100	12119	12125	12126	12142	12177	12204	12215	12257	12267
[illegible]	12325	12334	12338	12348	12365	12377	12382	12393	12398	12415	12435	12445	12532	12570	12571	12623	12629	12638	12659
[illegible]	12676	12697	12752	12788	12794	12821	12861	12867	12873	12892	12893	12903	12932	12947	12958	12973	12991	12993	13004
[illegible]	13022	13070	13103	13116	13134	13148	13178	13186	13199	13214	13223	13230	13235	13236	13242	13277	13309	13322	13357
[illegible]	13369	13386	13402	13413	13432	13454	13461	13477	13503	13504	13506	13565	13582	13595	13623	13626	13650	13687	13723
[illegible]	13774	13780	13820	13825	13847	13925	13939	13956	13957	13994	14003	14009	14012	14025	14051	14055	14063	14099	14108
[illegible]	14157	14186	14231	14239	14277	14284	14290	14303	14325	14342	14344	14358	14365	14373	14381	14385	14395	14412	14433
[illegible]	14495	14537	14545	14553	14564	14571	14577	14611	14634	14637	14667	14668	14673	14725	14737	14739	14756	14763	14774
[illegible]	14795	14814	14817	14825	14826	14837	14845	14860	14873	14875	14878	14881	14899	14902	14911	14918	14921	14973	14981

Witness: K.F.C. Baker, Notary Public.

The above bonds may be presented for redemption at par on or after 15th May 1978 at the offices of the paying agents named on the coupons for payment in the manner specified in Condition 4 of the Terms and Conditions of the Bonds. Each of these bonds when presented for redemption must bear the coupon dated 15th May 1979, and all subsequent coupons, otherwise the amount of the missing coupons will be deducted from the principal to be repaid.

Principal Paying Agent: N.M. Rothschild & Sons Limited, New Court, St. Swithin's Lane, London EC4P 4DU. - 21st April 1978

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Belgian zinc refiner in the red on falling demand

BY DAVID BUCHAN

BRUSSELS, April 20.

VIEILLE MONTAGNE, the world's biggest zinc refiner, announces a B.Frs.430m. ($13m.) loss for 1977 compared with a B.Frs.25m. net profit the year before. The company is not paying a dividend for the first time since 1945. For 1976 shareholders received B.Frs.100 net.

VM, whose 1977 net loss includes B.Frs.379m. set aside for depreciation, does not expect any improvement this year either. It blames poor demand for zinc and zinc products, which have caused its competitors to sell at massive rebates to get rid of their stocks, plus inflation and underutilisation of production capacity which have raised overhead costs.

Heavily dependent on its zinc activities, VM has felt the full brunt of the depression in this metal, while other non-ferrous companies, some of them Belgian like Metallurgie Hoboken, have been able to cover their zinc losses with their other activities.

Nevertheless, the Brussels-based European Non Ferrous Refiners Association estimates that all European companies are at present losing money on their zinc operations, and they have asked the European Commission to consider action, particularly aagisnt cheap zinc refined products from outside the Community. This might take the form of minimum import prices of the type already in force for steel.

VM, which has operations in France, W. Germany and Sweden, is also suffering along with virtually the whole Belgian non-ferrous sector from a three-week strike by workers demanding shorter hours. This strike by some 8,000 workers has halted nearly 95 per cent. of production bringing to a standstill three main companies—Hoboken, Vieille Montagne and Prayon.

Sharp rise in French electronics group profit

By David White

PARIS, April 20.

THOMSON-CSF, the French electronics and telecommunications company, slowed market advances last year in profits, sales and the size of its foreign order book.

The company announced net earnings up to Frs.123m. ($26.7m.), half as much again as its 1976 result of Frs.81m., and proposed a higher net dividend of Frs.7.20, an increase of 50 centimes. This will be paid on increased capital, after a one-for-seven scrip issue made by paying out of reserves last year.

The majority of the stock is held by the Thomson-Brandt electrical group.

Thomson-CSF's consolidated after-tax sales climbed to Frs.9.94bn. from Frs.7.81bn. The size of the increase was, however, distorted by changes in the consolidation structure and the company said the real growth rate was around 15 per cent.

Parent company sales rose by the same 15 per cent. margin to Frs.6.01bn. from Frs.5.20bn. Its order book at the end of the year stood at Frs.15bn., compared with Frs.13bn. a year earlier.

Michelin ahead

The holding company of the Michelin tyre group, Compagnie des Establissements Michelin, has increased its provisional earnings for 1977.

Non-consolidated profit rose to Frs.125.5m. ($27.3m.), compared with Frs.109.3m. The company, which is normally reticent about disclosing details of its activities, said that dividends and receipts in the first quarter of the current year rose to Frs.68.4m. from Frs.64.3m. but added that because of its operating nature as a holding company these figures did not bear "much significance."

In 1976 the consolidated net profit of the Michelin group almost doubled to Frs.754m. and sales reached Frs.16.2bn. after Frs.12.8bn. in 1975.

Imetal pays more

IMETAL, the Rothschild-controlled French metals and mining group, is increasing its net dividend for last year to Frs.3.80 from Frs.3.50 despite a slight drop in non-consolidated net profit to Frs.37.5m. ($9m.) from Frs.41.6m. The previous year's profit had included exceptional gains of Frs.6m. relating to metal stocks.

Flick close to controlling Gerling insurance empire

BY ADRIAN DICKS

BONN, April 20.

THE FLICK GROUP, one of the last major West German family businesses, is close to acquiring effective control of the Gerling insurance empire.

Flick has won bid acceptances from more than 75 per cent. of shareholders Versicherungs-Holding der Deutschen Industrie (VHDI) which owns 25.9 per cent. of Gerling. At the same time, Flick hopes to purchase half of the shares in Gerling held by Zuerich Insurance which controls 25.1 per cent. of the insurance group.

The entire transaction is still subject to the agreement of the VHDIL advisory Board. But if the deal goes through—and the VHDI element alone is reputed to bear a price tag of at least DM100m. ($50)—it will represent a further step in the process of diversification that Flick has undertaken since 1975 when it sold a 29 per cent. shareholding in Daimler-Benz for DM2bn. (about $975.7m.).

Daimler-Benz

DAIMLER-BENZ, the West German luxury car and commercial vehicle manufacturer, is recommending a dividend of DM9 against DM9.50 for 1976, writes Guy Hawtin from Frankfurt. According to the group to-day, distributed profits for 1977 will increase from DM225m. to DM228m. This is because the new shares issued in last December's capital increase carry rights to half a year's dividend.

Sales have continued upwards during the first two months of the current year. However, recent strikes in support of the metal workers' pay claim hit production last month and this affected sales. Foreign demand for heavy trucks is weak, making production levels difficult to maintain.

INI post still to be filled

By Robert Graham

MADRID, April

THE GOVERNMENT accepted the resignation o president of the state h comapny INI, Sr. Fra Gimenez Torres, but been u to agree on a successor. Th appointment is one of the important economic job Spain.

Sr. Jimenez Torres has the post for 15 months an presided over one of the pany's most difficult period himself has been active i organising INI's finances. departure has been rum ever since hte Governmen shuffle in February.

The Government's inabil name a successor has cause siderable confusion withi company. One company s said it was nossible that it take a week or more fo cabinet to reach agreement.

Petrogal shortfall

THE NATIONALISED guese oil company, Pet needs Escudos 2bn. ($48m the coming year to balan accounts. Presenting the a accounts for 1977, the Pu owned company constitut April 1 last year said i made a profit of Escudos 6 total capital is Escudos 6.1

Petrogal was formed fr merger of three different p oil companies with a n penetration of 70 per cen

Steady growth at Austrian savings bank

By Paul Lendvai

VIENNA, April 20.

FIRST Austrian Savings Bank (Erste Oesterreichische Sparcasse), the Vienna-based, second largest Austrian savings bank reports a 20 per cent. rise in profits after tax to Sch.279m. (about $18.5m.) and a 16.6 per cent. increase in the consolidated balance sheet to Sch.42.5bn. last year.

Dr. Hans Saumer, director general, stressed that despite the general liquidity squeeze and the maturity of premium savings deposits, loans last year were up by 17 per cent. with housing accounting for one-third of the personal credits last year. Savings deposits were up by 8.3 per cent. to Sch.25bn. and total deposits grew by 14.3 per cent.

Dr. Haumer welcomed the new draft Bill on banking regulations and emphasised that the First Austria Savings Bank was emerging as a universal bank. The bank currently has 67 branch offices in Vienna. The First Austrian took over last January Bankhaus Roessler, a small private bank with a balance sheet of Sch.250m. During the next two or three years Roessier Bank will open ten branches in the main provincial centres, acting as the private banking arm of First Austria, the director general added.

Despite rapid expansion, administrative expenditure actually were down from 2.12 per cent. of the balance sheet total in 1972 to 1.91 per cent. last year. During the same period interest income was up from 2.08 per cent. to 2.41 per cent. in terms of the balance sheet total.

MEDIUM TERM CREDITS

Sunaman raising $250m.

BY FRANCIS GHILÈS

BRAZIL has again succeeded in getting better terms in the syndicated loan market. The state shipping company, Sunaman, has just awarded a mandate to Bankers Trust International to raise $250m. for ten years on a spread of 1¼ per cent. throughout. The loan carries a sovereign guarantee.

Brazilian borrowers are, without doubt, among the favourite borrowers from the developing countries at present. In the past few weeks Brazilian borrowers have succeeded in getting both lower spreads and in establishing maturity of ten years as a nominal for major loans they are raising.

Various loans for South European and African countries are currently being arranged: Chase Manhattan is lead managing a $50m. seven-year loan for the Spanish state telephone company. The spread being paid by the borrower is ¾ per cent. throughout.

Another Spanish utility company, Hidroelectrica del Segre is raising $10m. for years on a spread of 1⅞ per cent. Lead manager is Amex Bank and there is no guarantee.

The same bank is arranging a $50m. loan for the République du Cameroon. A $38m. eight-year tranche carries a spread of 2 per cent. and the $12m. ten-year tranche a spread of 2¼ per cent. Continental Illinois is arranging a $9m. seven-year loan with a spread of 2 per cent. for the same borrower.

Agip Nucleare meanwhile is raising $40m. for seven years, with a four-year grace period and a spread of 1¼ per cent. throughout. Lead manager is First International Bancshares and ENI, the Italian state oil company is providing a guarantee.

Further afield, in Burma, the Siam Cement Company is arranging a $50m. eight-year loan. The spread being paid by the borrower is 1¼ per cent. with the lenders absorbing the withholding tax. The loan, which carries no guarantee, is being arranged by Bank of Montreal, Chemical Bank, which is also agent, Lloyds Bank International and Sanwa Bank.

Borrowing in the international capital markets rose by 6 per cent. to $67.2bn. last year, following a 45 per cent. gain in 1976, according to the IMF in its latest survey. Publicised medium-term credits increased over the same period by 12 per cent. to reach a figure of $32.3bn. Borrowing in the international bond markets on the other hand only witnessed a very slight increase, from $34.3bn. to $35bn.

Breaking down the borrowing in regional terms, the IMF says that developing countries increased their medium-term borrowing by $4.3bn. to $23.8bn. in 1977 while industrial countries only increased their own by $1bn. to $32.5bn. Borrowing by international organisations fell from over one-third of the increase in borrowing by developing countries was accounted for by oil-exporting countries.

Two features of the international bond markets which the survey draws attention to are: a sharp increase in the foreign bonds issued in Switzerland, 90 per cent. of which were by industrial countries and international organisations: the considerable increase in foreign bonds issued in Japan, from $42m. during the first quarter of 1977 to $896m. during the last quarter.

Skanska Cement holds steady

BY WILLIAM DULLFORCE

STOCKHOLM, April 20.

SKANSKA Cementgjuteriet, Sweden's and Europe's biggest construction group, reports almost unchanged pre-tax earnings of Kr.314.6m. ($69.1m.) for 1977. Turnover rose by just under 15 per cent. to Kr.6.54bn. ($1.43bn.) according to the preliminary figures.

A consolidated net profit of Kr.85.9m. is shown against Kr.81.6m. in the previous year, with parent company net earnings advancing by Kr.15m. to Kr.75m. The board proposes an unchanged dividend of Kr.11 a share, making a total payment of Kr.29.6m. on the increased share capital compared with Kr.19.7m. in 1976.

* * *

Finans Vendor the Swedish company which started the Eurocard credit card organisation, is selling 64 per cent. of its 99.7 per cent. holding in Brussels-based Eurocard International SA to various groupings of European banks. It is retaining its Nordic interests, which include the whole of the Swedish operation, 40 per cent. of the Finnish subsidiary and 33 per cent. of the Norwegian.

The company said the intention was to mobilise resources for an expansion of Eurocard on the Continent.

Finans Vendor has sold 20 per cent. of Eurocard to West German banks and 20 per cent. to Access of the U.K.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Alcan Australia 8¾pc 1989	96½	97½
AMEV 8pc 1987	97½	98
Australia 8¾pc 1992	94½	95½
Australian M. & S. 9½pc '92	98¼	99
Barclays Bank 8¾pc 1992	97¾	98¼
Bowater 9½pc 1992	97¾	98¼
Can. N. Railway 8¾pc 1986	98	98½
Credit National 8¾pc 1986	98¼	99
Denmark 8¾pc 1984	100¼	101½
ECS 9pc 1993	98¾	99¼
ECS 8¾pc 1997	96½	97
EIB 8¾pc 1992	99	99½
EMI 9½pc 1989	98½	99
Ericsson 8¾pc 1989	97½	98
Esso 8pc 1986 Nov.	101¾	102¼
Gt. Lakes Paper 8¾pc 1984	99	99½
Hamersley 9½pc 1992	100¼	101¼
Hydro Quebec 9pc 1992	96½	97
ICI 8¾pc 1987	97¾	98¼
ISE Canada 9¼pc 1986	104½	105
Macmillan Bloedel 9pc 1992	96½	97½
Massey Ferguson 9¼pc 1991	97	98
Michelin 9¾pc 19[illegible]	102½	103
Midland Int. Fin. 8¾pc '92	98½	99
National Coal Bd. 8pc 1987	95	95½
National Wstmnstr. 9pc '86	101¼	102
Newfoundland 9pc 1989	101½	103
Norges Kom. Bk. 8¾pc 1992	97½	98½
Norpipe 8¾pc 1989	98	98½
Norsk Hydro 8¾pc 1992	96½	97½
Oslo 9pc 1988	102½	103
Ports Autonomes 9pc 1991	99½	100
Prov. Quebec 9pc 1995	96½	97
Prov. Saskatch. 8¾pc 1986	100	100½
Reed International 9pc 1987	93	95
RHM 9pc 1992	93½	94½
Selection Trust 8¾pc 1989	91	92
Skand. Enskilda 9pc 1991	99½	100½
SKF 8pc 1987	93¾	94½
Sweden (K'dom) 8¾pc 1987	96¾	97½
United Biscuits 9pc 1989	99	99½
Volvo 8pc 1987 March	93½	94½
NOTES		
Australia 7¾pc 1984	96½	97
Bell Canada 7¾pc 1987	95½	96
Br. Columbia Hyd. 7¾pc '85	94½	95½
Can. Pac. 8¾pc 1984	99½	100½
Dow Chemical 8pc 1986	99	99½
ECS 7¾pc 1982	97	97½
ECS 8¾pc 1989	96½	97
EEC 7¾pc 1982	97½	98½
EEC 7¾pc 1984	96½	97½
Enso Gutzeit 8¾pc 1984	97½	98
Gotaverken 7¾pc 1982	97½	98
Kockums 8pc 1983	98½	99½
Michelin 8¾pc 1983	99½	100½
Montreal Urban 8¾pc 1981	101	101½
New Brunswick 8pc 1984	97½	98
New Bruns. Prov. 8¾pc '83	100¾	101¼
New Zealand 8¾pc 1986	98½	99½
Nordic Inv. Bk. 7¾pc 1984	96½	97½
Norsk Hydro 7¾pc 1982	97¾	98¼
Norway 7¾pc 1982	96½	97½
Ontario Hydro 8pc 1987	96½	97
Singer 8¾pc 1982	100¾	101½
S. of Scot. Elec. 8¾pc 1981	100	100½
Sweden (K'dom) 7¾pc 1982	98	98½
Swedish State Co. 7¾pc '82	98	98½
Telmex 9¾pc 1984	99½	100½
Tenneco 7¾pc 1987 May	94½	95½
Volkswagen 7¾pc 1987	95½	96½
STERLING BONDS		
Allied Breweries 10¼pc '90	89½	90½
Citicorp 10pc 1993	90	90½
Courtaulds 9¾pc 1989	89½	90½
ECS 9¾pc 1989	94	94½
EIB 9¾pc 1988	94½	95
EIB 9¾pc 1992	94	94½
Finance for Ind. 9¾pc 1987	92½	93½
Finance for Ind. 10pc 1989	89	90½
Fisons 10½pc 1987	93½	94½
Gestetner 11pc 1988	94½	95
INA 10pc 1988	90	90½
Rowntree 10¾pc 1988	89	90½
Sears 10½pc 1988	90	90½
Total Oil 9¾pc 1984	93½	94
DM BONDS		
BFCE 5¾pc 1988	98½	99½
BNDE 6¾pc 1986	96½	97½
CFE 6¾pc 1988	96½	97½
Denmark 5¾pc 1984	100½	101½
ECS 5¾pc 1990	96½	97½
EIB 5¾pc 1990	96½	97½
Electrobras 6¾pc 1986	96½	97½
Euratom 5¾pc 1987	99	99½
Eurofima 5¾pc 1988	100½	101½
Finland 5¾pc 1986	98½	99½
Forsmarks 5¾pc 1990	89½	90½
Mexico 6pc 1985	95½	96
New Zealand 5¾pc 1986	100½	101
Norcem 5¾pc 1989	99½	100½
Norway 4¾pc 1983	100½	101½
Philippines 6¾pc 1985	95½	96½
Rautaruukki 5¾pc 1988	96½	97½
Sweden 6pc 1989	101½	102
Tauernautobahn 5¾pc 1993	99½	100½
Trondheim 5¾pc 1988	98	98½
TVO Power Co. 6pc 1988	98½	99
Venezuela 6pc 1988	95	95½
World Bank 5¾pc 1990	98½	99
FLOATING RATE NOTES		
Bank of Tokyo 1984 7 15/16pc	99½	100
BFCE 1984 8¾pc	99½	100¼
BNP 1983 8 1/16pc	100¾	101¼
CCF 1983 8pc	99½	100¼
CGMF 1984 7¾pc	99	99½
Creditanstalt 1984 7¾pc	99¾	100¼
Credit Lyonnais 1982 8pc	99½	100¼
DG Bank 1982 7 15/16pc	100½	100¾
GZB 1981 8 1/16pc	100¼	101½
Intl. Westmnstr. '84 8pc	99¾	100¼
Lloyds 1983 7¾pc	100¼	100¾
LTCB 1982 8pc	99¾	100¼
Midland 1982 8pc	101½	102
Midland 1987 7 11/16pc	98½	99½
OKB 1982 7¾pc	100	100½
SNCF 1985 8¾pc	99½	99¾
Std. and Chtrd. '84 7 11/16pc	99½	100½
Wms. and Glyns '84 8 1/16pc	99½	100¼

Source: White Weld Securities.

CONVERTIBLES	Bid
American Express 4¼pc '87	86
Ashland 5pc 1988	91
Babcock & Wilcox 6¼pc '97	97½
Beatrice Foods 4¼pc 1992	[illegible]
Beatrice Foods 4¼pc 1992	105½
Beecham 6¼pc 1992	[illegible]
Borden 5pc 1992	100½
Broadway Hale 4¼pc 1987	78½
Carnation 4pc 1987	78½
Chevron 5pc 1988	128
Dart 4¾pc 1987	80
Eastman Kodak 4½pc 1988	81½
Economic Labs. 4¼pc 1987	77
Firestone 5pc 1988	82½
Ford 5pc 1988	86
General Electric 4¼pc 1987	84
Gillette 4¾pc 1987	78
Gould 5pc 1987	114½
Gulf and Western 5pc 1988	86
Harris 5pc 1992	157
Honeywell 6pc 1986	89
ICI 6¾pc 1992	88
INA 6pc 1997	97
Inchcape 6¾pc 1992	117½
ITT 4½pc 1987	83½
Jusco 6pc 1992	116
Komatsu 7½pc 1990	131½
J. Ray McDermott 4¾pc '87	157½
Matsushita 6½pc 1990	171
Mitsui 7¾pc 1990	125½
J. P. Morgan 4¾pc 1987	89½
Nabisco 5½pc 1988	102
Owens Illinois 4¾pc 1987	113½
J. C. Penney 4¾pc 1987	78
Revlon 4¾pc 1987	111
Reynolds Metals 5pc 1988	88½
Sandvik 6¾pc 1988	108
Sperry Rand 4¾pc 1987	92
Squibb 4¾pc 1987	89
Texaco 4¾pc 1988	81½
Toshiba 6¾pc 1992	131
Union Carbide 4¾pc 1982	95½
Warner Lambert 4¾pc 1987	84
Warner Lambert 4¾pc 1988	77
Xerox 5pc 1988	80

Source: Kidder, Peabody Secur

APPOINTMENTS

Two directors for Liverpool Daily Post

Mr. Leslie Wall, a deputy chairman of Pilkington Brothers, and Sir Trevor Lloyd-Hughes, Government and Parliamentary consultant, have been appointed non-executive directors of the LIVERPOOL DAILY POST AND ECHO. Mr. Wall has held a number of posts with the Pilkington group. From 1968-70 he was chairman of the pressed glass division and from 1974 chairman of the glass fibre division. In 1974 he also became chairman of the Pilkington group planning committee. Sir Trevor was the political correspondent of the Liverpool Daily Post from 1951-1964. He then became Press Secretary to Mr. Harold Wilson at 10 Downing Street and remained in that position until 1969 when he went to the Cabinet Office as chief information adviser to the Government.

★

Mr. John Norfolk has been appointed by the Mersey Docks and Harbour Company as chief engineer designate at the PORT OF LIVERPOOL. He will become chief engineer when Mr. Reg Norfolk retires from that position at the end of the year. Until that time Mr. John Norfolk will take over the day-to-day running of the department to allow the chief engineer to concentrate on special projects.

★

Mr. Richard Copeman has been appointed a director of EASTERN COUNTIES NEWSPAPERS. He is at present chairman and managing director of McKechnie Chemicals.

★

Mr. R. W. Cook has been appointed group managing director of HIGH MEAD ENGINEERING HOLDINGS.

★

Mr. Jeffrey Stretch has been appointed personal director of K SHOEMAKERS.

★

Mr. R. G. Horton has resigned as a director of HOSKINS AND HORTON.

★

Dr. A. W. Taylor has become chairman and Mr. J. P. Davidson, deputy chairman of the BRITISH PORTS ASSOCIATION for 1978-1979. Mr. J. P. Davidson has been made chairman, Mr. J. B. Fitzpatrick and Mr. G. A. Cullington, vice-chairmen, and Mr. J. D. Presland, honorary treasurer, of the NATIONAL ASSOCIATION OF PORT EMPLOYERS for 1978-1979.

★

Mr. D. van B. Ord, a director of ABERCOM INVESTMENTS, has been appointed chairman and Mr. P. J. T. Herbert has become deputy chairman and managing director. Mr. David A. Lurie has resigned as chairman and from the Board, but will remain a director of a subsidiary and continue with the company as a consultant.

★

Mr. D. M. Davies has been appointed managing director of the machine tool division of ALFRED HERBERT. He has been financial director of the company since 1973.

★

Mr. Raymond C. Jorden has been appointed inspector/auditor to the NATIONAL BANK OF FIJI, Suva, Fiji from May 1. He was formerly documentation manager in the Arab British Chamber of Commerce and leaves to take up his new appointment on April 28.

★

The Secretary for Employment has appointed Mr. Geoffrey Penrice as director of Statistics, DEPARTMENT OF EMPLOYMENT, with the rank of deputy secretary. He succeeds Mr. Roger Thatcher, who has become Registrar General for England and Wales.

★

Dr. A. Kent has been appointed a director and financial controller of LEIGH INTERESTS. Mr. C. E. Wilkinson has become managing director of Effluent Disposal, a subsidiary.

★

Mr. Jeremy Howell has been appointed an industrial and employment development adviser to WARWICKSHIRE COUNTY COUNCIL.

Australia U.K. trade president

Lord Hewlett has been appointed U.K. president of the AUSTRALIAN BRITISH TRADE ASSOCIATION. He succeeds Viscount Caldecote, president for the past five years. Lord Hewlett, who holds many business and public appointments, is chairman and managing director of Anchor Chemical Company and chairman of Burco Dean.

★

Mr. A. R. Strudwick has been appointed personnel and administration director of ROLLS-ROYCE MOTORS Car Division. He joins the company from Fluor GB, where he held similar responsibilities.

★

Lord Wolfenden has been appointed honorary president to the CHELSEA BUILDING SOCIETY.

هكذا من الأصل

Senior executive changes at Coalite & Chemical Products

Mr. Charles E. Needham has been appointed deputy chairman of COALITE AND CHEMICAL PRODUCTS and continues as group managing director and chief executive. Following the Charrington acquisition, the group structure comprises two divisions, with Mr. Peter Fowler as managing director of the Coalite and Chemicals Division and Mr. John Dowling as managing director of the Charrington Division.

★

Mr. Richard Dennis and Mr. Norman Watling have been appointed to the Board of REDIFON COMPUTERS. Mr. David Roberts has resigned following a planned reorganisation of the Redifon Group, but he remains a consultant.

★

Mr. Colin P. Bateman has been appointed an assistant vice-president and Mr. Keith R. Ridgway an international banking officer, at the London branch of the HARRIS TRUST AND SAVINGS BANK OF CHICAGO.

★

HOLLIS BROS. AND ESA has appointed Mr. N. Eden-Green, a director of ESA Creative Learning, Mr. E. W. Hine a director of Paul and Marjorie Abbatt Toys, and Mr. N. O. Jewers a director of Educational Supply Association.

★

Admiral Sir Desmond Dreyer has been appointed president of the REGULAR FORCES EMPLOYMENT ASSOCIATION in succession to General The Lord Bourne of Atherstone. General Sir Geoffrey Musson has become chairman.

★

Mr. Cecil Blanco has resigned from the Board of BAIRD TEXTILE HOLDINGS and will be leaving at the end of April. He joined the company in 1973 when he retired as a director of Marks and Spencer.

★

Mr. John B. Elwell has become managing director of AUTO WRAPPERS (NORWICH) of the GEI group.

★

Mr. Martin L. Givot has resigned from full-time executive duties as group vice-president, steel distribution, of AZCON CORPORATION but remain on the Board.

★

Mr. Samuel Newman, a vice-president of Irving Trust Company, has been elected to the Board of the SOCIETY FOR WORLDWIDE INTERBANK FINANCIAL TELECOMMUNICATIONS, headquartered in Brussels, an organisation of European, Canadian and U.S. banks.

APPOINTMENTS

INTERNATIONAL APPOINTMENTS

LEGAL NOTICES

No. 00773 of 1975
IN the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of TWEEDWITCH LIMITED and in the Matter of The Companies Act, 1948.
NOTICE IS HEREBY GIVEN that a Petition for the restoration to the Register of Companies and subsequent winding-up of the above-named Company by the High Court of Justice was on the 7th day of March 1978 presented to the said Court by Barclays Bank Limited whose registered office is at 54 Lombard Street, London E.C.3. AND THE SAID PETITION is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL on the 8th day of May 1978: and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose: and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

DURRANT PIESSE,
73 Cheapside,
London, EC2V 6ER.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the above-named Notice in writing of his intention so to do. The Notice must state the name or address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their Solicitor (if any) and must be served or if posted must be sent by post in sufficient time to reach the above-named not later 4 o'clock in the afternoon of the 5th day May 1978

No. 00774 of 1975
IN the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of TWEEDWITCH LIMITED and in the Matter of The Companies Act, 1948.
NOTICE IS HEREBY GIVEN that a Petition for the restoration to the Register of Companies and subsequent winding-up of the above-named Company by the High Court of Justice was on the 7th day of March 1978 presented to the said Court by Barclays Bank Limited whose registered office is at 54 Lombard Street, London E.C.3. AND THE SAID PETITION is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL on the 8th day of May 1978 and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose: and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

DURRANT PIESSE,
73 Cheapside
London, EC2V 6ER.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the above-named Notice in writing of his intention so to do. The Notice must state the name or address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their Solicitor (if any) and must be served or, if posted must be sent by post in sufficient time to reach the above-named not later 4 o'clock in the afternoon of the 5th day May 1978.

No. 001055 of 1978
In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of SINGER'S RADIO LIMITED and in the Matter of The Companies Act, 1948.
NOTICE IS HEREBY GIVEN that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 7th day of April 1978, presented to the said Court by RANK RADIO INTERNATIONAL LIMITED whose registered office is at 11 Hill Street London, W.1. and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL on the 8th day of May 1978, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose: and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

ROBBINS OLIVEY & LAKE,
218 Strand,
London WC2R 1AU.
Agents for:
Gill Akaster Leest & Russell
of Scott Lodge Milehouse,
Devonport, Plymouth, PL2 3DD.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 5th day of May 1978

No. 001165 of 1978
In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of DONENOLL LIMITED and in the Matter of The Companies Act, 1948.
NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 14th day of April 1978, presented to the said Court by MAGNET JOINERY LIMITED whose registered office is situate at 126, Queen Victoria Street, London, E.C.4, Prepared *Joinery Manufacturers, and that the said* Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 8th day of May 1978, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose: and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

HERBERT OPPENHEIMER,
NATHAN & VANDYK,
20, Copthall Avenue,
London EC2R 7JH.
Ref: TI/KGO.SRO. 5556
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm, and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 5th day of May 1978.

NOTICE IS HEREBY GIVEN that Dr. Sabri Hassan Shehata El-Sherif of Royal Hospital, Chesterfield, Derbyshire, is applying to the Home Secretary for naturalisation and that any person who knows any reason why naturalisation should not be granted should send a written and signed statement of the facts to the Under Secretary of State, Home Office (Nationality Division), Lunar House, Wellesley Road, Croydon CR9 2BY.

COMPANY NOTICES

LEGAL NOTICE

No. 001167 of 1978
In the HIGH COURT OF JUST Chancery Division Companies Court. the Matter of J. & E. WYNICK LIMIT and in the Matter of The Compa Act, 1948.
NOTICE IS HEREBY GIVEN, tha Petition for the Winding up of the ab named Company by the High Court Justice was on the 14th day of A 1978 presented to the said Court ALBANY IMPORT EXPORT LIMIT whose registered office is situate 35/38, Old Street, London, E.C.1, that the said Petition is directed to heard before the Court sitting at Royal Courts of Justice, Strand, Lon WC2A 2LL on the 8th day of 1978, and any creditor or contribut of the said Company desirous to sup or oppose the making of an Order the said Petition may appear at time of hearing, in person or by counsel, for that purpose: and a c of the Petition will be furnished by undersigned to any creditor or contr tory of the said Company requiring copy on payment of the regulated cha for the same.

D. J. FREEMAN & COMPANY
9, Cavendish Square,
London W1M 9DD.
Ref: JAH/40207. Tel: 01-636 49
Solicitors for the Petitioner

NOTE.—Any person who intends appear on the hearing of the said Peti must serve on, or send by post to, above-named notice in writing of intention so to do. The notice must s the name and address of the person, if a firm the name and address of firm and must be signed by the per or firm, or his or their solicitor (if a and must be served, or, if posted, m be sent by post in sufficient time reach the above-named not later t four o'clock in the afternoon of 5th day of May 1978.

EDUCATIONAL

PUBLIC NOTICES

BRIGHTON BOROUGH COUNCIL
£1.6m. Bills issued 19th April, 19 due 19th July, 1978, at 6 63/64 Total application £5.05m. No ot Bills outstanding.

CITY OF EDINBURGH DISTRICT COUN issued yesterday £1,500,000 Bills maturity on 19th July, 1978, at 7 Applications totalled £14,000,000. outstanding total £3,500,000.

DERBY CITY COUNCIL BILLS
£1,150,000, due 19th July, 1978, is 19th April, 1978, at a rate of 6 Applications totalling £5,750,000. Th are the only Bills outstanding.

ART GALLERIES

BY RAY DAFTER

Sixth Round alarm bells

MR. ANTHONY Wedgwood Benn, the Energy Secretary, has promised that the consultative document on the sixth round offshore licensing conditions, to be published next month, will contain some "interesting" new features. The changes, he says, will not be as radical as in the fifth round, when the concept of majority state participation was laid down, but they should signify an extension of government policies.

The hints, made over the past few weeks, may have been designed to whet the appetites of offshore companies. In effect, they have merely sounded alarm bells in the Board rooms of the oil industry.

The tougher conditions on relinquishments, introduced in the fifth round, are expected to stay. *Consequently companies will again have to agree to hand back to the Government at least two-thirds of their licence area after seven years.* (Under previously issued licences, companies are required to hand back at least half of the territory after six years). No doubt the industry will continue to argue that the conditions are particularly harsh when licences are granted for single blocks only; this could mean that operators will have to relinquish areas containing part of a proven field.

Expertise

The proposed introduction of phased consents for oil field development programmes is another idea that is causing concern, although it is not known whether this will be introduced as part of the sixth round conditions or as a separate statute. It is known that the Energy Department has been considering granting authority for field developments in stages. As now the programme would be reviewed when an offshore group wishes to begin exploiting a find. It may well be that the Government will encourage groups to look at their operating expertise. Consequently, a company that has acted as operator for a consortium during the exploration stage may not necessarily continue in that role during the production phase. The British National Oil Corporation will probably have a major say in which development operator is chosen.

Companies or consortia involved in the exploitation of a new field may have to apply for Government authorisation at various steps in the development programme; for example, at the beginning, when the field has reached peak production and when output is about to decline. The idea is that the Department of Energy should be satisfied that companies are exploiting finds in accordance with best reservoir practice, although the industry might argue that BNOC's close involvement in all future development should provide sufficient safeguards.

There can be little doubt that under the sixth round terms BNOC will continue to play a major role in virtually all activities on the U.K. Continental Shelf. What is now worrying oil companies is that they might be expected to pay BNOC's share of costs, at least *during the risky exploration* phase. Ways in which this so-called carried interest could be operated are being kept under wraps within Whitehall, but I understand that payment of BNOC's expenses may not be compulsory. This raises an intriguing series of questions: *if carried interest is voluntary,* will private oil companies volunteer? And if they don't, will they be given a licence?

But even more serious questions, more fundamental issues, are raised by the prospect of *tougher sixth round conditions.* Several oil companies, including at least two significant international concerns with commercial interests in the North Sea, have indicated privately that they will not bother to bid in the new round if further licensing restrictions, such as carried interest *for* BNOC, are imposed.

The *role of smaller independent companies in future rounds is also called* into question. Greater restrictions would *hit* them hardest and *it is* significant that a number of these companies have expressed doubt about their involvement in the sixth round.

There is a real danger that the entrepreneural spirit and drive offered by this large force of independents will be smothered by government policies.

Mr. Tom King, the Conservatives' *Shadow Energy* Secretary, was right when he told *his Bridgwater constituents last* Friday: "It is absurd in considering the oil business to discount the important of experience or the value of more than one opinion during the exploration phase."

Mr. Algy Cluff (left) of Cluff Oil, Mr. Roland Shaw (centre) of Ball and Collins, and Sir Joseph Godber of Tricentrol—three independents seeking a place in Sixth Round licences.

Encouragement

In the U.S., independents have been given more political encouragement. As a result they have drilled some 90 per cent. of all exploration wells. They have also discovered three quarters of the new fields which have accounted for *almost 55 per cent. of oil and* gas reserves proven in recent times. Last year, 89 per cent. of all new exploration drilling in the U.S. was carried out by independents.

A similar position exists in Canada where, for the past five years, three-quarters of all wells *have been drilled by* independent companies, which also *account for 30 per cent. of* crude oil production and 25 per cent. *of natural gas output.*

It is difficult to obtain comparative figures for the U.K., partly because there is no one organization representing the 200 or so independent companies which participate in some way in North Sea activities. The U.K. Offshore Operators Association is dominated by the major companies; its membership is restricted to operators in any case. But UKOOA does have as one of its most active members Hamilton Brothers—an independent company which (as independents repeatedly point out) was the first to bring on stream a North Sea field in the U.K. sector: the Argyll Field.

The Association of British Independent Exploration Companies—Brindex—is the only other existing representative *vehicle for the independents. Its* bias towards domestic companies means that it has only 28 members. These companies, according to the latest statistics, have a stake in about 130 blocks and have contributed towards the cost of over 110 wells. They own some 4.4 per cent. of *proved oil reserves and 1 per* cent. of gas reserves.

There have been rumblings from independent companies based overseas that they would like to see Brindex into a more broadly-based and forceful association. But there are problems here, for Brindex was *formed to help* U.K. independents build up an offshore presence, *expertise* and revenue. One of its lobbying points is that profits of Brindex members will not be siphoned overseas.

Brindex may have to become active on the political and public relations front, however. It, too, has seen the warning signs of growing Government restrictions. "The increasing role of BNOC can act to diminish the role of independents and this is a matter of some concern," said Mr. Roland Shaw, who is chairman of the Association, chairman and managing director of Ball and Collins (Oil and Gas) and managing director of Premier Consolidated.

He is particularly worried about the new rules for chang*ing licenee* partnerships. *Inde*pendent groups have traditionaly *been* closely associated with such changes, known in the industry *as "farm-in"* deals.

Many past farm-in deals have involved independent companies which, having invested risk money during the early exploration stage assign part of their interest to another group which then pays the assignees' share of costs for some further drilling. Now BNOC is insisting on having the right of first *refusal whenever farm-in deals* are offered and only time will tell *whether this new arrange*ment changes the commercial *complexion* of *such arrange*ments.

But there are many independent companies, including a number of U.K. groups, which are not content with *merely* being an investor in an offshore project. *These groups, like* Tricentrol, Burmah, Ball and Collins and Cluff Oil want to take an active part in exploration and development, using their technical staffs which in many cases have been recruited from the oil majors. Some have made no secret of the fact that *they would like to become* operators; indeed their ambitions for being operator on only the most promising blocks was one reason why companies like Cluff and Ball and Collins were left out of the fifth round licence allocations. (Mr. Algy Cluff, one of the most colourful *North Sea entrepreneurs and* managing director of Cluff Oil, *has already announced that it* is constructing a British consortium to bid in the sixth round. Again, Mr. Cluff will wan to be an operator.)

In a sense, his hand—and the hands of other independents *with similar ambitions—will be* strengthened if the Government adopts a policy of phased consent. Such companies could well be operators during the exploration phase (much of the work is sub-contracted anyway) on the understanding that they might have to hand over to a company with greater financial and technical muscle if and when a commercial discovery is made.

But there is another way in which independents could strengthen their own hands—by joining forces. This is an idea that has been receiving some airing within the industry in recent months. One Evening News journalist, I notice, has conceived both the shape and title of such a company: BLOTCH — a grouping of Burmah, LASMO, Oil Exploration, *Tricentrol, Charterhouse,* Cluff Oil, CCP North Sea Associates, and Charterhall.

Paper company

It is possible to perm several different groupings to form a paper company with a market *capitalisation of* several hundred million pounds—a theoretical U.K. *independent oil* company which would rank alongside some of the U.S. companies like Ashland, Mesa Petroleum and Murphy Oil.

Mr. Peter Gaffney, a senior partner of oil consultants Gaffney, Cline and Association, has spent some time looking at the possibility of creating a world-ranking independent *British oil company.* He *has* reported that the minimum *initial risk capital funding to* effectively launch a significant international operation was £60m. to £100m. By comparison, the majority of British companies that had financed exploration risks had done so with less than £8m.

The idea of a major U.K. in*dependent company—either* newly created or formed through mergers—is attractive, although at this stage probably in the realms of wishful thinking. The individual aspirations of many of the companies that would be involved rules out the formation of a BLOTCH, since *they would all want to be top* dog.

*However, that does not dis*miss the contribution that independents have made and could continue to make, given reasonable Government encouragement.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Sharp early rise on gold auction plan

BY OUR WALL STREET CORRESPONDENT

NEW YORK, April 20.

CHEERED BY the U.S. Treasury's gold auction plans and the dollar's fresh improvement, Wall Street moved sharply higher in heavy early trading to-day before losing momentum around mid-session.

The Dow Jones Industrial Average, after forging ahead 11.78 to 819.82 at 11.00 a.m., partly retraced its steps to 816.87 at 1 p.m. for a net advance of 8.83. The NYSE All Common Index was 55 cents higher at $52.90, after reaching $53.02, while rises outnumbered losses by nearly a four-to-one ratio. Turnover expanded to 31.33m. shares, against yesterday's 1 p.m. level of 24.16m.

Closing prices and market reports were not available for this edition.

Analysts said the market hoped the U.S. Treasury's gold auction plans, announced late yesterday, will help cut the nation's trade deficit and further strengthen the dollar.

Among companies announcing higher earnings, Johns-Manville rose $⅞ to $31⅞, Texas Instruments $2 to $75, Alcoa $⅞ to $44⅞, Avon $½ to $50⅞, and Minnesota Mining $2¼ to $48⅞.

Despite reporting lower profits, Monsanto put on $⅞ to $51½, Union Carbide $½ to $41½, and Franklin Mint $⅝ to $8⅞.

Eastman Kodak, topping the NYSE actives, put on $¼ to $48⅞, and Dow Chemical gained $⅝ at $26⅞. Anixter Brothers moved ahead $1 to $9½.

IBM advanced 3 to $256, Burroughs $1½ to $68, Digital Equipment $1⅞ to $42⅞, Du Pont $1½ to $114⅞, and General Electric $1½ to $50⅞.

Aluminium of America rose $⅞ to $44⅞ on increased earnings, while Time on a planned dividend increase, gained $⅞ to $43⅞.

THE AMERICAN SE Market Value Index recorded a net gain of 0.30 at 135.13 at 1 p.m., after initially touching 135.48. Volume increased to 2.87m. shares (2.39m.).

WEDNESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Sony	817,560	8⅞	−⅛
Amer. Elec. Power	350,400	23⅞	−⅛
Angelica	301,700	7⅞	+⅛
Gulf Oil	296,500	24⅞	—
American Airlines	287,800	11⅞	+⅛
British Petrolm.	269,200	14⅞	+⅛
Polaroid	230,800	30	−⅛
Eastman Kodak	229,700	48	+1⅛
G. D. Searle	220,400	13⅞	+⅛
Motorola	218,900	41⅞	+1⅛

OTHER MARKETS

PARIS—Heavy buying across the board took the market sharply higher, investors responding to Prime Minister Raymond Barre's policy statement at the National Assembly on Wednesday, and especially the fact that corporate taxation will be frozen for two years and that savings invested in securities will benefit from tax credits. An additional favourable factor was news that France's seasonally-adjusted trade in March showed a surplus of Frs.1.192bn.

Trading in at least 11 issues was delayed because of the high influx of buying orders. These were Application-Gaz, Olida, Roussel, Radiotechnique, Lefarge, Gle-Fonderie, Aquitaine, Locindus, Cfao, Denain and Rhone-Poulenc.

Roussel was finally 14 per cent. higher, Olida 12 per cent. up, and Rhone-Poulenc 9 per cent. stronger.

The Steels sector, however, lost ground after the previous day's advance, reflecting disappointment that Prime Minister Barre did not announce help for the steel companies in his speech to Parliament.

TOKYO—Market moved further ahead in early trading, but a reaction set in later on profit-taking to leave stocks often lower on the day. The Nikkei-Dow Jones Average, after reaching a new post-war record peak of 5,559.07 in the morning, came back to 5,548.56 for a net loss of 7.27. Volume came to 380m. shares (390m.).

Electricals and Motors were particularly affected by profit-taking, Sony declining Y30 to Y1,970, Toyota Motor fell Y15 to Y972, Matsushita Electric Y8 to Y762 and Toyo Kogyo Y13 to Y1,424.

On the other hand, Precision Machinery Instrument Manufacturers and Cameras were higher.

CANADA—Weak Oil, Gas and Gold issues offset a firmer tendency in most of the other sectors yesterday morning, leaving the Toronto Composite index 0.4 easier at 1,087.2 at noon. Oils and Gas fell 22.8 more to 1,413.9 on index, while Golds, depressed by lower Bullion prices, retreated 36.9 to 1,200.9. On the other hand, Banks rose 1.30 to 258.88, Papers 1.15 to 112.22, and Metals and Minerals 2.1 to 916.4.

Among Energy issues, Home Oil "A" fell 2¼ to $41, Canadian Superior Oil 1⅞ to $56⅛, and Pacific Petroleum 1⅞ to $38—analysts said the market is taking a poor view of Transcanada Pipeline's requests that gas suppliers cut back on production.

BRUSSELS—Mostly higher after lively trading.

Non-ferrous Metals advanced, Asturienne adding 24 at B.Frs.638, Hoboken 65 at B.Frs.2,520 and Union Miniere 12 at B.Frs.774. In Utilities, EBES climbed 15 to B.Frs.2,465.

Vieille Montagne was a dull spot, falling 20 to B.Frs.1,500 on announcing a nil 1977 dividend.

GERMANY—Share prices, weak of late, closed firmer for choice yesterday, with Economics Minister Otto Lambsdorff's pessimistic comments on the West German economy at the opening of the Hanover trade fair having no impact on the market.

In Motors, Mercedes added DM2, while Engineerings had KHD DM2.20 harder. Elsewhere, Alliance Versicherung gained DM4, but Hapag Lloyd lost DM1.4.

SWITZERLAND—Narrowly mixed following extremely quiet trading, but with a steadier undertone due to the renewed firmness of the dollar.

AMSTERDAM—Market showed no clear trend, although Shippings were predominantly lower, with Van Ommeren 6 weaker at Fls.120.

Among Dutch Internationals, AKZ shed Fls.0.50 following publication of trading figures for 1977, but Royal Dutch, ahead of its 1977 report, recovered 1.30 to Fls.128.10.

MILAN—Stocks moved irregularly in more active trading.

Demand arose for Ercole Marelli, SIP, STET and Ironwork issues, but some Blue Chips, such as Fiat and Pirelli Spa, were lower.

HONG KONG—Firmer across the board in active trading, with the Hang Seng index rising 6.05 to 448.91. Market is closed to-day for the official celebration of Queen Elizabeth's birthday.

Jardine Matheson put on 30 cents to $HK13.20, Swire Pacific 25 cents to $HK6.90, Hutchison Whampoa 17.5 cents to $HK4.45, Hong Kong Land 25 cents to $HK7.65 and Wheelock Marden 2.5 cents to $2.225. Hong Kong Bank were steady at $HK14.90.

AUSTRALIA—Stock prices again closed on a mixed note.

Tobaccos, Retailers, Motors, Breweries and Building issues were firmer-inclined, but Banks and Finance stocks showed a lower trend.

BHP, strong of late, came back 2 cents to $A6.44 on technical factors ahead of going ex-dividend to-day.

Bank of NSW reacted 4 cents to $A5.36 and CBA 5 cents to $A2.35 among Banks, but Buildings had Jennings 5 cents up at $A1.20, while Myer rallied 3 cents to $A1.70 in Stores.

Elsewhere in Minings, Pancontinental lost 20 cents to $A10.30 and Oakbridge 4 cents to $A1.62, but Hamersley hardened 2 cents to $A2.02.

Indices

NEW YORK -DOW JONES

	Apr. 19	Apr. 18	Apr. 17	Apr. 14	Apr. 13	Apr. 12	1978 High	1978 Low	Since compilat'n High	Since compilat'n Low
Industrial	808.04	803.27	810.12	795.13	775.21	766.23	817.74 (3/1)	742.12 (28/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds*	89.42	89.55	89.56	89.34	89.21	89.20	90.66 (4/1)	89.20 (12/4)	—	—
Transport	217.72	216.16	216.50	215.77	209.56	207.44	218.50 (17/4)	199.31 (9/1)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	105.35	104.97	105.72	106.09	105.99	105.82	110.98 (3/1)	102.84 (22/2)	163.32 (20/4/69)	10.58 (28/4/42)
Trading vol. 000's †	35,080	38,950	63,500	52,280	31,580	26,210	—	—	—	—

* Basis of index changed from August 24.

	Apr. 14	Apr. 7	Mar. 31	Year ago (approx.)
Ind. div. yield %	5.86	6.06	6.18	4.49

STANDARD AND POORS

	Apr. 19	Apr. 18	Apr. 17	Apr. 14	Apr. 13	Apr. 12	1978 High	1978 Low	Since Compilat'n High	Since Compilat'n Low
‡Industrials	103.38	102.97	104.15	102.53	100.85	98.08	104.15 (17/4)	95.52 (6/3)	134.64 (11/1/73)	3.52 (30/6/32)
§Composite	93.86	93.45	94.45	92.92	90.98	90.11	94.45 (17/4)	86.90 (6/3)	125.85 (11/1/73)	4.40 (1/6/32)

	April 12	Apr. 5	Mar. 29	Year ago (approx.)
Ind. div. yield %	5.36	5.39	5.46	4.21
Ind. P/E Ratio	8.56	8.48	8.48	10.41
Long Govt. Bond yield	8.34	8.32	8.25	7.68

N.Y.S.E. ALL COMMON

Apr. 19	Apr. 18	Apr. 17	Apr. 14	1978 High	1978 Low
52.36	52.16	52.68	51.94	52.69 (17/4)	48.37 (6/3)

Rises and Falls

	Apr. 19	Apr. 18	Apr. 17
Issues traded	1,921	1,929	1,941
Rises	872	437	1,045
Falls	625	1,109	539
Unchanged	424	383	357
New Highs	—	39	261
New Lows	—	25	17

MONTREAL	Apr. 19	Apr. 18	Apr. 17	Apr. 14	1978 High	1978 Low
Industrial	180.54	180.67	181.47	180.21	181.47 (17/4)	162.98 (16/2)
Combined	187.19	187.21	187.95	186.34	187.95 (17/4)	170.52 (30/1)
TORONTO Composite	1087.6	1087.2	1091.4	1084.6	1091.4 (17/4)	998.2 (30/1)
JOHANNESBURG Gold	187.4	184.5	187.9	195.9	218.7 (1/2)	164.5 (18/4)
Industrial	210.8	209.6	209.8	209.0	214.4 (4/1)	194.? (15/5)

	April 20	Previous	1978 High	1978 Low
Australia(¶)	471.80	471.07	479.45 (6/1)	441.19 (1/3)
Belgium (‖)	100.22	99.43	100.28 (18/4)	90.45 (12/1)
Denmark(**)	95.06	95.6	98.13 (9/1)	94.00 (6/2)
France (††)	67.1	64.7	67.1 (20/4)	47.6 (3/2)
Germany(‡‡)	775.8	777.2	812.7 (10/2)	777.2 (19/4)
Holland (§§)	79.3	78.8	82.1 (10/2)	76.0 (4/4)
Hong Kong (¶¶)	448.91	442.86	451.67 (4/4)	383.44 (13/1)
Italy (‖‖)	60.40	60.25	63.56 (6/3)	55.46 (10/1)
Japan (a)	415.09	416.11	416.11 (19/4)	364.04 (4/1)
Singapore (b)	304.41	304.14	304.41 (20/4)	282.00 (1/3)
Spain (d)	94.77	94.06	98.90 (10/1)	87.?? (17/3)
Sweden (e)	383.16	379.16	383.16 (19/4)	325.74 (3/1)
Switzerl'd (f)	289.0	288.8	296.36 (1/4)	280.4 (10/3)

Indices and base dates (all base values 100 except NYSE All Common — 50 Standards and Poors — 10 and Toronto 300-1,000, the last named based on 1975). † Excluding bonds. ‡ 400 Industrials. § 400 Inds., 40 Utilities, 40 Finance and 20 Transport. (¶) Sydney All Ord. (‖) Belgian SE 31/12/63. (**) Copenhagen SE 1/1/73. (††) Paris Bourse 1961. (‡‡) Commerzbank Dec., 1953. (§§) Amsterdam, Industrial 1970. (¶¶) Hang Seng Bank 31/7/64. (‖‖) Milan 2/1/73. (a) Tokyo New SE 4/1/68. (b) Straits Times 1966. (c) Closed. (d) Madrid SE 30/12/77. (e) Stockholm Industrial 1/1/58. (f) Swiss Bank Corp. (u) Unavailable.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
◆ DM50 denom. unless otherwise stated. ♥ Ptas.500 denom. unless otherwise stated. ♣ Kr 100 denom. unless otherwise stated. ♦ Frs.500 denom. and Bearer shares unless otherwise stated. ¶ Yen 50 denom. unless otherwise stated. $ Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs: including Unilac div. p Nom. q Share split. s Div and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. ▲ Interim since increased.

OVERSEAS SHARE INFORMATION

Inv. $ Prem. at $2.60 to £109¼% (110¼%)
Effective rate (1.8245) 46¼% (49¼%)

NEW YORK

Stock	April 19	April 18
Abbott Labs	58	57¾
Addressograph	18⅞	18⅝
Corning Glass	50¼	50⅛
CPC Int'n'tional	45	45
Crane	28¼	29¼
Crocker Nat.	27	27⅛
Johns Manville	31	30¾
Johnson Johnson	69	68½
Johnson Control	30⅛	
Joy Manufactur'g	63⅛	
Revlon	43⅛	42⅞
Reynolds Metals	30¾	30½
Woolworth	20⅛	20⅛
Wyly	4⅝	4½

GERMANY ◆

April 20	Price Dm.	+ or −	Div. %	Yld. %
AEG	86.1		—	—
Allianz Versich.	476	+4	18	1.9
BMW	215	+1	20	4.6
BASF	136.5	−0.5	12	4.4
Bayer	137.5	−0.7	16	—
Bayer Hypo	262		18	3.2

TOKYO ¶

April 20	*Prices Yen	+ or −	Div. %	Yld. %
Asahi Glass	345	+1	14	2.0
Canon	523	+11	12	1.1
Casio	590	−35	25	2.1
Chinon	367	+2	20	2.7
Dai Nippon Print	559	+2	18	1.6
Fuji Photo	618 xd	−2	15	1.2
Hitachi	241		12	2.5

AUSTRALIA

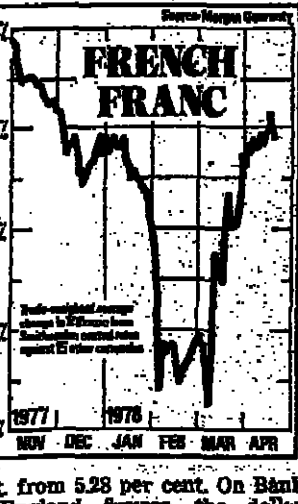
Apr. 20	Aust. $	+ or −
ACMIL (25 cent)	†0.69	+0.02
Acrow Australia	†0.76	
Allied Mnf-Trdg. Inds. $1	†2.23	+0.05
Ampol Exploration	†1.31	+0.01
Ampol Petroleum	†0.78	
Assoc. Minerals	†0.90	

Sterling weak

Sterling weakened considerably against most major currencies in yesterday's foreign exchange market mainly as a result of further strengthening in the U.S. dollar. The pound opened at $1.8320-1.8340 and quickly fell to $1.8285-1.8295 before intervention by the Bank of England saw the rate jump to $1.8360-1.8370. However, with the opening of New York, renewed demand for the dollar put further pressure on the pound, which slipped to $1.8225-1.8235 before closing at $1.8240-1.8250, a loss of 1.95c on the day.

The level of business increased sharply and the Bank of England intervened in the market at the lower levels. Its calculation of sterling's trade weighted index fell to 61.5 from 61.6, having stood at 61.4 at noon and 61.5 in early dealings. Forward sterling tended to widen reflecting the currency's underlying weakness.

Trading in the U.S. dollar was very active with a heavy volume of business being recorded. The currency opened sharply higher after news that the U.S. Treasury intends to auction gold as a means of cutting the U.S. trade deficit and underpinned by signs that the U.S. federal reserve may be moving to tighten U.S. credit to help curb inflation. These measures tended to instill a new confidence in the dollar and in terms of the West German mark, it improved to DM2.0775 from DM2.0480 previously. The Swiss franc also lost ground to the dollar, closing at Sw.Fr.1.9725 against Sw.Frs.1.9170. Morgan Guaranty's calculations of the dollar's trade weighted average depreciation, using noon rates in New York, narrowed to 4.39 per cent. from 5.28 per cent. On Bank of England figures, the dollar index improved to 90.4 against 89.4 on Wednesday. Gold lost $5¼ an ounce to close at $168½-169¼ mainly in reaction to intended U.S. gold sales.



CURRENCY RATES

	Special Drawing Rights April 19	European Unit of Account April 19
Sterling	0.667208	0.676920
U.S. dollar	1.23126	1.24947
Canadian	1.41324	1.43080
Austrian sch	18.1028	18.3579
Belgian franc	39.1894	39.7082
Danish krone	6.92892	7.02116
Deutschem'rk	2.51448	2.55250
Dutch guilder	2.68168	2.72079
French franc	5.65395	5.73799
Italian lira	1056.82	1074.30
Japanese yen	273.217	276.185
Norway krone	6.65034	6.70633
Spain peseta	98.6646	99.9891
Swedish krone	5.65764	5.72989
Swiss franc	2.34924	2.38273

EXCHANGE CROSS-RATES

April 20	Frankfurt	New York	Paris	Brussels	London	Amst'd'm	Zurich
Frankfurt	—	2.0770-0785	44.58-73	6.42-43	3.79-80	93.75-85	105.50-70
New York*	48.56-59	—	21.76-79	3.1225-325	1.8378-88	45.60-62	51.64-90
Paris	223.90-4.40	4.613-630	—	14.392-426	8.46-48	209.75-10.2	235.43-93
Brussels	15.64-68	32.06-11	6.95-96	—	58.75-88	14.64-69	16.39-45
London	3.78½-79½	1.82.0-50	8.60-52	58.95-59.10	—	4.04-05	3.19-60
Amst'dam	106.68-735	2.2007-2032	47.66-715	6.8585-8635	4.0295-0345	—	112.755-805
Zurich	94.705-894	1.9666-9690	42.176-320	6.0951-1065	3.5913-5972	88.85-89.14	—

U.S. $ in Toronto U.S. $=114.81-85 Canadian cents.
Canadian $ in New York=87.11-13 cents. U.S. $ in Milan 867.90-8.40.
Sterling in Milan 1583.25-1585.25. *Rates for April 19

EURO-CURRENCY INTEREST RATES*

April 20	Sterling	Canadian Dollar	U.S. Dollar	Dutch Guilders	Swiss franc	W. German mark
†Short term	8-10	7-8	6¾-7	4¼-4½	¼-⅜	3⅜-3¼
7 days notice	12-16	7-8	6⅞-7⅛	4¼-4½	1-1¼	3⅜-3½
Month	9½-10	8⅛-8½	7-7¼	4¼-4½	½-⅝	3⅜-3½
Three months	9¼-9½	8¼-8⅝	7⅜-7⅝	4¼-4½	⅝-¾	3⅞-3⅞
Six months	9⅜-9½	8⅞-8⅞	7⅝-7⅞	4⅜-4⅝	1-1⅛	3⅜-3½
One year	9¼-9¾	6⅞-9¼	7⅞-8⅛	4¾-5	1¼-1⅜	3⅞-3⅞

Euro-French deposit rates: two-day 8½-8¾ per cent.; seven-day 8¾-8⅞ per cent.; one-month 9-9½ per cent.; three-month 9½-9¾ per cent.; six-month 9⅝-9⅞ per cent.; one year 10-10½ per cent.

Long-term Eurodollar deposits: two years 8$\frac{1}{16}$-8$\frac{3}{16}$ per cent.; three years 8$\frac{3}{16}$-8$\frac{5}{16}$ per cent.; four years 8$\frac{5}{16}$-8$\frac{7}{16}$ per cent.; five years 8$\frac{7}{16}$-8$\frac{9}{16}$ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 7.05-7.15 per cent.; three-month 7.25-7.35 per cent.; six-month 7.60-7.65 per cent.; one year 7.75-7.85 per cent.

* Rates are nominal calling rates.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars: two days' notice for guilders and Swiss francs.

GOLD MARKET

	April 20	April 19
Gold Bullion (a fine ounce)		
Close	$168½-169¼	$174-174
Opening	$170¼-171	$173¾-17
Morning fixing	$169.70 (£92.641)	$175.80 (£94.201)
Afternoon fixing	$168.55 (£92.154)	£174.65 (£94.595)
Gold Coins domestically		
Krugerrand	$174-176 (£95½-96½)	$179-181 (£97-98)
N'w Sov'gns	$52¼-54¼ (£28¾-29¾)	$53¾-55 (£29-30)
Old Sov'gns	$52-54 (£28½-29½)	$53¾-55 (£29-30)
Gold Coins (Internat'lly)		
Krugerrand	$173½-175½ (£95¼-96¼)	$179-181 (£97-98)
New Sov'gns	$52-54 (£28½-29½)	$53¾-55 (£29-30)
Old Sov'gns	$52-54 (£28½-29½)	$54-56 (£29¼-30)
$20 Eagles	$272½-275½	$279¼-28

FOREIGN EXCHANGES

April 20	Bank Rate %	Day's Spread	Close
New York	6½	1.8225-1.8370	1.8240-1.
Montreal	8½	2.0850-2.1080	2.0835-2.
Amsterdam	4	4.42½-4.05½	4.04-4.
Brussels	5½	58.75-58.15	58.85-58
Copenhagen	8	10.38-10.58½	10.38-10

FARMING AND RAW MATERIALS

Farmers' union launches blizzard relief fund

BY CHRISTOPHER PARKES

BRITISH FARMERS yesterday launched a national relief fund for producers who lost livestock in the blizzards and floods of last winter. Sir Henry Plumb, president of the National Farmers' Union, said the fund would be started up with a £20,000 contribution from the NFU reserve.

But he stressed this would be paid only on condition that the Ministry of Agriculture and other farming organisations like the Milk Boards contributed.

He expected about £500,000 from the Government. He wanted half the £1m. offered recently for storm aid by the Common Market Commission.

Mr. John Silkin, Minister of Agriculture, promised last month that some of the EEC aid would be given to cover stock losses, but he has yet to say how much.

Contributions to the fund from the Scottish NFU, the milk Boards, the Meat and Livestock Commission, British Wool Marketing Board and other farming organisations should bring the total industry contribution to about £100,000.

The £600,000 total would be shared among those farmers worst hit by the weather. Sir Henry suggested only farmers who lost 10 per cent. or more of their sheep or cattle should benefit.

Mr. Silkin announced last month that the Government would spend £4m. in the form of increased grants on repairing the damage to buildings, roads and drains caused by winter weather in Scotland, the West Country and Wales.

According to the Ministry of Agriculture, 21,000 sheep, 800 cattle and 7,000 poultry were killed in the winter storms.

Copper price setback forecast

A FALL in copper prices in the second half of the year, possibly back to the 55-58 cents a pound range, is forecast in the latest issue of Copper Trends, published yesterday.

The report says the temporary improvement in the level of economic activity worldwide and some reduction in stocks, should continue to provide a base for higher copper prices in the immediate future. But the reappearance of surplus production in the second half of this year and the decline in economic activity, particularly in the U.S., should result in prices falling back again.

It predicts that in the longer term surplus production of copper will continue through to the mid 1980s in the absence of further major cuts in capacity utilisation.

The report claims that the continued existence of such surpluses arises because the industry is having to adjust to economic growth slowing down and to the world's economies becoming less metals intensive. Also to blame is the copper industry's inherent inflexibility in regulating production levels — because of the high cost of permanent closure the cost of placing mines on a care and maintenance basis and in some cases direct Government subsidies—is also to blame.

The cost structure of the industry, with about 60 per cent. of Western production in the 50-65 cents a pound range, makes producers go for maximum output to reduce unit costs.

Production levels are expected to be much the same this year as in last year with Western refined output estimated at just over 7m. tonnes but rising to 7.6m. tonnes by 1980. It is calculated that about 460,000 tonnes of mine capacity is in the process of being closed, but this might take a year or more to become effective.

The 1978 consumption figure is expected to rise to 6.8m. tonnes, against 6.78m. tonnes last year, but with a decline in the second half after an increase in the first six months.

The historic growth rate of copper consumption is forecast to fall from 4.5 per cent. to 3 per cent. a year by the mid 1980s and about 2.5 per cent. afterwards.

Platinum and silver hit by gold fall

BY OUR COMMODITIES STAFF

PLATINUM and silver prices fell sharply in London yesterday, following the trend in gold as a result of the U.S. decision to start gold auctions.

The free market price of platinum fell £2.75 to £110.60 an ounce, with the dollar quotation declining $5.75 to $202 an ounce —$18 below the price charged by the two main South African producers.

On the London bullion market the spot quotation for silver at the morning fixing was cut 4.85p to 272.25p an ounce and prices ended the day about the lower level when the New York market opened about 12 cents down.

On the base metals market, however, the stronger tone in the dollar against sterling provided a firm undertone. Copper was marginally lower but there were gains in tin, lead and zinc prices.

Cash tin closed £62.5 up at £5 937.5 a tonne, despite forecasts of an easing in the supply situation with fresh arrivals expected to come into the LME warehouses.

Cash zinc gained £8 to £292 a tonne.

Need for food aid estimated

ROME, April 20.

DEVELOPING COUNTRIES are expected to need between 75m. and 16m. tonnes of ceretals in annual food aid by 1985, according to a study by the UN Food and Agriculture Organisation.

The Third World will also need 300,000 tonnes of vegetable oil and 250,000 tonnes of dairy products in food aid the FAO forecast.

The total for cereals would not be enough to cover emergency needs in the face of severe natural disasters, or to create national food reserves or fully bridge gaps, it said.

Reuter

Milk sales slump as output rises

By Our Commodities Staff

SALES OF LIQUID milk slumped again in March, after a brief recovery in February. Production was up steeply, and the fall in the consumption of drinking milk again caused a hefty diversion of milk into butter and cheese making.

The Milk Marketing Board reports a 7.5 per cent. rise in sales of milk off farms in the 1977-78 dairy year just ended, a 3.4 per cent. fall in liquid sales and a rise of 23.4 per cent. in the amount of milk used for manufacture.

Last month sales off farms were 5.4 per cent. up on a year ago, liquid sales fell 4.5 per cent. and the amount used for manufacture increased 18.5 per cent.

In February liquid sales were down only 1.7 per cent.—a feature of the market which gave rise to hopes that the decline in doorstep sales might be slowing. The Milk Board could not explain the renewed slide, suggesting only that the early Easter holiday may have had some influence. Consumers apparently drink less milk when they are on holiday.

Daily milk consumption in Britain last year was 1m. litres lower than in 1975 and 600,000 litres less than in 1976-77.

Coffee export ban might end soon

BY RICHARD MOONEY

CENTRAL AMERICAN "other milds" coffee producers are expected to end their export ban in the next two or three weeks.

A Guatemalan Coffee Exporters' Association official said yesterday that the producers are searching for a mechanism that would set prices on the basis of supply and demand rather than market manipulation.

Rumours in London on Wednesday quoted an El Salvador coffee official as saying that the producers planned to institute an export quota system from next month. But the Guatemalan spokesman said the position was not that simple. "As small producers we must search for a mechanism that will allow us to defend ourselves a little against this wave of rumours. Dozens of price support forumlae are being studied.

World coffee traders expected the export ban to be scaled down into a quota system at last week's producer meeting in Costa Rica.

The ban, which was designed to boost prices, has been in operation for about five weeks but has had little visible effect. Prices fell nearly £100 a tonne soon after it was announced and are still only slightly above the level ruling then.

ANIMAL FEED INDUSTRY

Price Commission report 'based on false figures'

BY CHRISTOPHER PARKES

THE CENTRAL findings and the tenor of the Price Commission's report on the animal feed industry are based on false figures, the feed compounders' association UKASTA, said yesterday.

The report alleges that price competition in the industry is limited largely by the dominant influence of the Unilever subsidiary BOCM-Silcock. This company, it is claimed, earns a return on capital of 25 per cent. —much higher than average— "helped by the position of the company as price leader."

Mr. Allan Price, feed director of BOCM, said yesterday the commission had misinterpreted the evidence and misrepresented the true condition of the industry.

The figures provided to the commission by BOCM excluded any allowance for distribution costs. Figures provided by other companies had included these charges. When taken properly into account these costs reduced BOCM-Silcock's return on capital to around 16 per cent.

"This is very close to the industry average," he said.

"The report is based on false figures. They knew about this. They were told about it. They were in possession of the facts, yet in the report and the Press statement they still refer to the 25 per cent."

Mr. Sydney Robinson, chairman of the UKASTA feed committee said: "Another inconsistency is the reference in a number of places to the non-competitive nature of the industry."

In an appendix at the back of the paper, he pointed out, a table showed that the difference in price for standard dairy cattle feed has varied by £16 a tonne.

Responding to charges of co-ordination of price increases by the six or seven companies which control half the U.K. feed market, Mr. Robinson said the industry had been under price control since 1973. The companies were all buying similar raw materials which accounted for 80 per cent. of their costs. "You are bound to get a pattern."

"The report suggests that in future the Price Commission will assess price increases against the background of their conclusions. Bearing in mind that many of these conclusions are based on a misunderstanding, and on incorrect assessments of the industry, we feel that this would be a very dangerous philosophy indeed.

"The recent history of the bread industry is a stark reminder of what could happen. This would not only have serious implications so far as the competitive supply of feedingstuffs to farmers was concerned, but would also have grave repercussions on the numbers employed in the manufacturing and distribution industry."

Sharp attack in polite language

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

SINCE THE new Price Commission was set up last July it has followed its predecessor's example in one respect. It has a preference for phrasing what is intended to be sharp criticism in the politest, most restrained, way.

Behind the cautious language used in the commission's report, published yesterday, on the £1,200m. animal feeding stuffs business, is a fairly strong indictment of the way the industry is run.

In essence, the commission concludes that there is something distinctly fishy about the way all big companies raise their prices at about the same time and that some pretty inefficient company companies have been able to take refuge behind the umbrella of the Unilever subsidiary BOCM, the market leader and itself, described as "a highly profitable and well managed company."

What the commission also seems to be trying to say is that compound producers have been greedy when it comes to profits and that farmers should take care that they are not taken for a ride by them.

The commission, which was asked to look at the industry by the Department of Prices last September, also takes a dim view of the system of discounts used by BOCM as a means of keeping its customers loyal.

The commission found that there was insufficient price competition in the market. This was best exemplified by the way the biggest companies all increased their prices at roughly the same time—a pattern which is understood to be being repeated this month, with all the big manufacturers notifying the commission of their intention to raise prices again within days of each other.

The record, it says, pointed to clear "price parallelism." Throughout 1976 and 1977, six of the seven companies which account for over half of the market, co-ordinated their prices in some respect. This has been passed to the Office of Fair Trading which is the Government body responsible for ensuring that compaines do not collude on prices.

The commission concludes that "this parallelism is stricter than can be justified by the proportion of common costs in the final products."

The clear price leader, it says, is BOCM which has 21 per cent. of the market.

In their submissions to the commission, other companies readily admitted that they could not affort to let their prices get BOCM.

It could be argued that this was a sign that price competition did exist in the market but the commission seems to take the view that BOCM's prices are inadequately restrained by competition and that because they can raise their prices, this in turn, allows inefficient companies to make higher profits than they deserve.

The commission's figures show that on average the 16 major compounders earned a net profit margin, before charging interest and tax, of 2.6 per cent. in 1974-75. This rose to 3.5 per cent. the following year. In 1977-78, however, the figure fell to 3.2 per cent. In the same period the return on capital, again before interest and tax, rose from 12 per cent. to 15.3 per cent.

The results of BOCM, it says, stand out from the group. In the four years, net profit margins increased from 3.2 per cent. to 5.55 per cent and return on capital increased 25 per cent. calculated on a replacement cost basis. The commission says it is satisfied that these results were made possible by a combination of good management, efficiency, and its position as price leader.

Despite its obvious reservations about the industry, the commission does not recommend the use of the new powers given to the Government to control prices under the Price Commission Act.

Instead, it directs most of its advice towards farmers. They should be given more information and should consider further the alternative of home-mixing their own compound, it says.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Steady on balance on the London Metal Exchange, helped by the weakness of sterling and the first indications of a decline in warehouse stocks. Forward metal declined initially from £705 to £701 but then started to pick up. Although there was no impetus from Comex, which was depressed by the stronger dollar, the close on the Kerb was £707. Turnover 30,425 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	687-.5	-5.75	688-.5	-2
3 months	704-.5	-4.75	705-.5	-2
Settl'm'nt	687.5	-6	—	......
Cathodes				
Cash	678-9	-4.25	678-9	-4
3 months	695-.5	-4	695-7	-4.25
Settl'm'nt	679	-4	—	......
U.S. Smt.	—	......	64	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £688.5, 7, three months £704, 4.5, 4, 3.5, 4, 4.5. Cathodes, three months £695. Kerb: Wirebars, three months £705, 5.5, 5. Afternoon: Wirebars, three months £705, 4.5, 5, 4, 3.5, 4, 5, 5.5. Kerb: Wirebars, three months £706, 5.5, 7, 6.5.

TIN—Gained ground in a quiet market with the forward price at £5,910 given early steadiness by the rise in the East overnight and the fall of the pound. There was fair volume of carries and the backwardation disappeared, indicating shipments in to LME warehouses. The price climbed to £5,950 and closed on the Kerb at £5,945. Turnover 810 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	5925-30	+54	5935-40	+62.5
3 months	5920-30	+62.5	5940-5	+67.5
Settlem't	5930	+55	—	......
Standard				
Cash	5920-30	+54	5935-40	+62.5
3 months	5920-30	+62.5	5940-5	+67.5
Settlem't	5930	+55	—	......
Straits E.	$1530	+10	—	......
New York	—	......	*497.50	......

Morning: Standard, three months £5,920, 30. Kerb: Standard, three months £5,940, 45, 40. Afternoon: Standard, three months £5,940. Kerb: Standard, three months £5,945, 50; 45, 42.

LEAD—Steady at the close after recovering from an early fall under the influence of copper when forward metal slipped from £309-£311 to £305. But Soviet buying was reported at the lower levels and the price picked up to trade between £308 and £310 before some late short covering led to a close on the Kerb of £312. Turnover 9,350 tonnes.

Morning: Cash £299, three months £310, 9.5, 9, 8, 8.5, 8, 7, 7.5. Kerb: Cash £302, three months £308, 9, 9.5. Afternoon: Three months £310, 11, 10.5. Kerb: Three months £310.5, 10, 10.5, 11, 11.5, 12.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	300-.5	-.75	302-3	+3.25
3 months	307.5-8	-.5	310-1	+3.75
Sett'm'nt	300.5	-1	—	......
U.S. Spot	—	......	55	......

ZINC—Higher following the same trading pattern as lead with an early decline from £296-£298 to £293 before greater steadiness emerged. In the afternoon the price touched £300 as new buying came in and closed on the Kerb at £299. Turnover 3,425 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£		£	
Cash	289.5-90	+3	291.5-2.5	+8
3 months	297-.5	+3.5	299-.5	+8
S'ment	290	+5	—	......
Prim. West	—	......	29	......

Morning: Three months £294, 93, 94, 95, 97. Kerb: Three months £296. Afternoon: Three months £297, 97.5, 99, 99.5, £300, 99.5. Kerb: Three months £299, 98.5, 99.

Cents per pound. † On previous unofficial close ‡ $M per picul.

SILVER

Silver was fixed 4.85p an ounce lower for spot delivery in the London bullion market yesterday, at 272.25p. U.S. cent equivalents of the fixing levels were: spot 498.6c, down 12.8c; three-month 505.8c, down 13.3c; six-month 515.7c, down 13.4c; and 12-month 537.1c, down 14.8c. The metal opened at 272.75-273.75p (500-502c) and closed at 272-273p (496.5-498c).

SILVER per troy oz.	Bullion fixing pricing	+ or —	L.M.E. close	+ or —
Spot	272.25p	-4.85	272.15p	-4.85
3 months	277.65p	-4.75	277.55p	-4.6
6 months	284.2p	-4.8	—	......
12 months	298.5p	-4.6	—	......

LME—Turnover 231 (263) lots of 10,000 ounces. Morning: Three months 278, 7.9, 7.8, 7.5, 7.7, 7.5, 7.6, 7.7, 7.8, 7.7. Kerbs: Three months 277.5. Afternoon: Three months 277, 7.5, 7.6, 7.7, 7.8, 7.9, 7.3, 7.4, 7.5. Kerbs: Three months 277.5, 77.6, 78, 78.2.

COCOA

London steadied until the New York opening, when prices eased to close just above the mid-point of the day's range, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
No.6 Con'tr't			
May	2047.0-50.0	+11.0	2075.0-28.0
July	1946.0-47.0	+19.5	1968.0-18.0
Sept.	1872.0-75.0	+16.0	1898.0-55.0
Dec	1802.5-04.0	+11.25	1828.0-1789
March	1740.0-48.0	-4.5	1765.0-50.0
May	1700.0-08.0	-15.	1730.0-25.0
July	1671.0-80.0	-7.5	1705.0-1680

Sales: 3,892 (4,038) lots of 10 tonnes.

International Cocoa Organisation (U.S. cents per pound)—Daily price April 19: 148.37 (148.21). Indicator prices April 20: 15-day average 159.62 (160.69); 22-day average 159.21 (159.37).

COFFEE

ICO Indicator prices for April 19 (U.S. cents per pound): Colombian Mild Arabicas 185.00 (184.50); other Mild Arabicas 184.00 (183.24); unwashed Arabicas 170.00 (same); Robustas 144.50 (145.00). Daily average 164.25 (164.12).

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	1543-45	-8.0	1576-45
July	1412-14	-5.0	1455-08
September	1338-40	-20.5	1387-55
November	1299-1300	-8.5	1325-1300
January	1289-95	+10.0	1290-80
March	1250-45	-7.5	—
May	1200-50	-4.5	—

Sales: 2,555 (1,894) lots of 5 tonnes.

ARABICAS—Prices (in order buyer, seller, change, business)—April 210.50-15.00, 211.50-211.00, 3; June 186.75, 87.25, 187.50-186.75, 4; Aug. 175.75, 76.00, 176.00-175.75, 5; Oct. 135.25, 58.50, nil; Dec. 147.00, 47.50, 148.00-147.00, 3; Feb. 136.00, 43.00, nil; April 134.00, 44.25, nil. Sales: 18 lots of 17,250 kilos.

GRAINS

LONDON FUTURES (GAFTA)—The market opened 115-125 higher on old crop and found heavy shortcovering. Despite strong profit-taking, particularly in wheat; values moved 130-180 points higher. Jobber selling on the close meant values closed 100-120 points higher. New crops saw a massive trade, with large scale hedging noted in wheat and commercial and chartist buying in barley. Hedgers won the day and values closed between unchanged to 20 higher. Acli reports.

WHEAT M'nth	Yesterday's close	+ or —	BARLEY Yesterday's close	+ or —
May	97.10	+1.20	86.20	+1.50
Sept.	86.50	....	81.30	+0.20
Nov.	88.95	....	83.75	+0.15
Jan.	91.45	....	86.25	+0.15
Mar.	93.80	....	88.60	+0.10

Business done—Wheat: May 97.20-96.65, Sept. 87.10-86.30, Nov. 89.45-88.80, Jan. 91.55-91.25, March 93.85-93.60. Sales: 275 lots. Barley: May 85.70-84.75, Sept. 82.00-81.00, Nov. 84.10-83.50, Jan. 86.45-86.15, March 88.60-88.50. Sales: 256 lots.

IMPORTED—Wheat: CWRS No. 1 13½ per cent. April-May 95.50 Tilbury. U.S. Dark Northern Spring No. 2 14 per cent. April-May 86.25, May-June 85.75 sellers transhipment East Coast. U.S. Hard Winter ordinary unquoted. Australian wheat unquoted.

Maize: U.S./French May 105.75, June 106.30 transhipment East Coast. S. African Yellow May-June 81.00. Kenya Grade Three unquoted.

Barley: Unquoted.

RUBBER

STEADIER opening on the London physical market. Good demand throughout the day, closing firm. Lewis and Peat report that the Malaysia godown price was 208 (206) cents a kilo (buyer, May).

No.1 R.S.S.	Yest'rday's close	Previous close	Business done
May	52.85-52.70	50.50-50.80	52.75-51.75
June	53.25-53.35	51.10-51.15	—
Jly-Sept	54.00-54.10	51.95-52.00	54.05-52.80
Oct-Dec	55.05-55.10	52.95-53.00	55.15-52.95
Jan-Mr.	56.30-56.40	54.40-54.45	56.40-54.50
Apr-Jne	57.60-57.65	55.70-55.75	57.65-56.30
Jly-Sep.	58.95-59.00	57.15-57.25	59.00
Oct-Dec	60.35-60.40	58.60-58.65	60.50-59.50
Jan-Mar	61.40-61.45	59.90-60.00	61.50-61.05

Sales: 593 (274) lots of 15 tonnes and 14 (24) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 51.5p (50.0); May 52p (50.75); June 52.35p (51.0).

SOYABEAN MEAL

	Yesterday Close	+ or —	Business Done
	£ per tonne		
April	150.00-40.0	-3.0	—
June	128.10-28.4	-1.4	128.50-28.00
August	127.50-27.8	-1.8	128.50-27.50
October	124.00-25.5	-1.4	126.50-25.00
December	120.50-21.0	-0.25	122.00-21.00
February	121.50-22.5	-0.35	123.00-23.00
April	121.50-24.5	-0.25	—

Sales: 138 (162) lots of 100 tonnes.

The market opened unchanged and drifted lower on light liquidation. Values fell further late in the day, reflecting Chicago. At the close prices ranged from £3.30-£0.50 lower, reports SNW commodities.

SUGAR

LONDON DAILY PRICE for raw sugar £99.00 (same) a tonne cif for April-May-June shipment. White sugar daily price was fixed at £104.50 (same).

Reports that Iran had invited offers to-morrow for 108,000 tons stimulated shortcovering and opening trades were 100 points above kerb levels, reports C. Czarnikow. Further gains of 50 points were recorded later, but when New York failed to match up half the gains were lost.

Sugar Pref. Comm. Conn.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
May	102.15-02.25	100.90-01.00	102.75-00.75
Aug.	106.80-06.90	105.70-05.80	107.85-05.50
Oct.	110.10-10.25	108.90-08.95	110.85-00.75
Dec.	115.75-15.85	112.60-12.65	114.50-12.25
March	121.00-21.30	119.55-19.60	121.50-20.00
May	125.00-25.25	123.00-24.25	125.50-23.15
Aug.	128.65-29.00	126.50-27.00	129.00-26.50

Sales: 2,794 (2,982) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £242.40 (same) a tonne for home trade and £159 (£161.00) for export.

International Sugar Agreement: Indicator prices (U.S. cents per pound, fob and stowed Caribbean port); Prices for April 19: 7.40 (7.57); 15-day average 7.64 (7.67).

JUTE

JUTE, Dundee—Quiet but prices very firm. Offers from Bangladesh being made at £297 for BWC and at £288 for BWD. Tossa: BTB £295, BTC £295 BTD £286, c and f U.K. for April-May shipment. Calcutta goods quiet. Quotations per 100 yards c and f U.K. for April shipment: £10.40 for 10-ounce 40-inch, £8.03 for 7½-ounce. May and June £10.41 and £8.03. "B" twills £26.67, £28.88 and £29.14 for the respective shipment periods. Yarn and cloth prices steady.

WOOL FUTURES

LONDON—The market was slightly steadier in near positions, reports Bache. (Pence per kilo)

Australian Greasy Wool	Yesterd'ys Close	+ or —	Business Done
May	228.0-29.0	+0.5	232.0-227
July	232.0-33.0	+1.0	228.0
October	236.0-37.0	......	—
December	239.0-40.0	+2.5	—
March	239.0-42.0	......	—
May	239.8-42.0	......	—
July	240.0-45.0	+1.5	—
October	243.0-47.0	......	—

Business done: 4 lots.

SYDNEY GREASY—Close (in order buyer, seller, business, sales): Micron Contract—May 340.3, 340.5, 342.4-340.3, 47; July 345.0, 345.5, 347.5-345.5, 17; Oct. 347.8, 348.0, 348.0-349.0, 26; Dec. 356.5, 357.0, 358.0-356.4, 12; March 364.8, 365.3, 367.0-365.5, 4; May 369.0, 369.5, 370.4-369.3, 9; July 371.3, 372.0, 372.5-371.5, 11; Oct. 373.1, 374.0, nil. Total sales: 126 lots.

MEAT/VEGETABLES

SMITHFIELD (pence a pound)—Beef: Scotch killed sides 52.5-56.5. Ulster hindquarters 67.0 to 70.0, forequarters 36.0 to 40.0.

Veal: English fats 70.0 to 78.0.

Lamb: English small new season 64.0 to 74.0, imported frozen: NZ PL 47.0 to 47.5, PM 45.0 to 45.5, PH 43.5 to 45.0.

Hoggets: English 38.0 to 60.0, Scotch 36.0 to 60.0.

Pork: English, less than 100 lbs. 38.0 to 44.0, 100-120 lbs 38.0 to 43.0, 120-160 lbs. 36.0 to 42.0.

MEAT COMMISSION—Average fatstock prices at representative markets on April 20. GB—Cattle 68.24p a kg.l.w. (+0.9). U.K.—Sheep 138.8p a kg.est.d.c.w. (−0.5). GB—Pigs 64.1p a kg.l.w. (−0.1). England and Wales—Cattle down 1.6 per cent., average price 67.93p (+0.11). Sheep down 5.2 per cent., 139.0p (−1.0). Pigs up 11.0 per cent., 64.1p (−0.1). Scotland—Cattle down 16.4 per cent., 69.18p (+0.49). Sheep down 21.8 per cent., 136.8p (+0.4).

COVENT GARDEN (in sterling a package unless stated—Imported Produce: Oranges—Cyprus: Valencia Lates 20 kilos 2.70-3.50, 15 kilos 2.40-3.60; Jaffa: Shamouti 3.75-4.05; Egyptian: Valencia Lates 2.00; Moroccan: 2.70-2.90; Texas: 3.30. Lemons—Italian: 100/120s 4.00-4.20; Cyprus: 2.80-3.50; Spania: Small trays 23/50s 1.60; Californian: 3.50-4.00. Grapefruit—Cyprus: 15 kilos 2.50-2.80; 20 kilos 3.20-3.80; Jaffa: 20 kilos 3.00-3.75; U.S.: Ruby Red 15 kilos 4.80. Apples—French: Golden Delicious 20-lb 84s 2.50-2.70, 72s 2.70-2.90; 40-lb 5.00-5.80; Golden Delicious, jumble pack, per pound 0.10-0.12; Italian: Rome Beauty, per pound 0.13, Golden Delicious 0.10-0.12; U.S.: Red Delicious 8.00-8.30; S. African: Dunn's 6.40-6.60, Jonathan 6.50, Starking Delicious 8.00-8.50; Chilean: Granny Smith 7.00-7.20; New Zealand: Cox's Orange Pippins 163/234 7.00-8.00; Danish: Per pound Cox's 0.16-0.16. Spartans 0.09-0.10. Pears—S. African: Cartoons, Packham's Triumph 6.80-7.40, Beurre Hardy 6.50-7.00; Dutch: Per pound Conference 0.14; Belgian: Conference 0.10-0.12. Grapes—S. African: New Cross 5.80, Barlinka 4.40. Bananas—Jamaican: Per pound 0.15. Melons—Chilean: White 4.00, Green 5.30; Colombian: Green 3.00. Avocados—Kenya: Fuerte 14/24s 4.50; S. African: Fuerte 4.50-4.60. Strawberries—Israeli: 0.45; Spanish: 0.30-0.40; Californian: 1.00; Italian: 0.45. Pineapples—Ivory Coast: 0.40-0.90 each. Onions—Dutch: Large 2.00-2.40, medium 1.00-1.20; Chilean: Bags approx. 50-lb 3/5s 4.30; Italian: 2.80; Canary: 4.00. Capsicums—Kenya: Per pound 0.40. Celery—Spanish: 15s/36s 4.50-5.30; American: 24s 5.80. Potatoes—Canary: 3.50-3.60; Egyptian: 3.60-3.80; Cyprus: 3.90. Cauliflowers—Jersey: 6.30. Cucumbers—Dutch: 14/16s 2.00. Tomatoes—Canary: 3.0-4.00; Jersey: Per pound 0.40; Dutch: 0.40; Guernsey: 0.33-0.40.

English Produce: Potatoes—Per 56-lb, Whites/Reds 1.20-3.50. Lettuce—Per 12s 1.30-1.40. Beetroots—Per 28-lb 1.20. Turnips—Per 28-lb 0.80. Carrots—Per bag 0.60-1.00.

Ferodo factory in Chesterfield

FERODO, a member of the Turner and Newall Group, has been allocated a Government advance factory of 15,650 square feet on the Sheepbridge Industrial Estate, at Chesterfield, north Derbyshire.

The factory will be used to manufacture retarders for use on buses, coaches and heavy commercial vehicles. It will eventually employ 70 people.

Progress on jute promotion

GENEVA, April 20.

THE OUTLINES of an international arrangement for promoting production and use of jute, capable of being negotiated within one year, have emerged from discussions here among producing and importing nations.

Mr. Roger Martin, British delegate, said a five-day meeting last week of an intergovernmental group, held under the auspices of Unctad agreed to include four specific elements in a possible jute accord.

These were: a programme on research and development whose aims would include finding new uses for jute and improving agricultural productivity; market promotion to retain and expand markets in the face of growing competition from synthetic products; evaluation and co-ordination of programmes intended to reduce costs; and exchange of information on jute's overall competitiveness.

An Unctad announcement said proposals by the EEC helped to narrow differences on how to stabilise prices. But the meeting decided further work was needed on this before a scheduled Unctad session on jute next July 24 to 28.

The meeting instructed the Unctad secretariat to prepare a study in collaboration with the Food and Agricultural Organisation on a possible scheme to provide international financial assistance for national stocking operations related to international trade in jute fibre.

Reuter.

China maize purchase confirmed

CHICAGO, April 20.

A U.S. grain export company executive has reported that China bought about 200,000 tonnes of Argentine maize for shipment in the summer.

This confirms a report from Buenos Aires earlier this week.

The sale is linked to the same export firm that is believed to have sold most, if not all, of the 1m. tonnes of U.S. wheat to China and 15,00 tonnes of soyabean oil for shipment next month.

Giro currency service boost

THE NATIONAL Giro is to open three more bureaux de change at post offices in readiness for the holiday season. The Giro's first bureaux de change opened at Trafalgar Square post office London, in September last year.

The service at the Edinburgh main post office, Waterloo Place, will be available from April 24 to be followed shortly at the main post office, Post Office Road, Bournemouth, and the post office at Great Portland Street, London.

PRICE CHANGES

Prices per tonne unless otherwise stated.

	April 20 1978	+ or —	Month ago
Metals			
Aluminium	£680	....	£680
Free market (cis)	$980-95	....	$950.60
Copper cash W. Bars	£688.25	-2.0	£666
3 months do. do.	£705.25	-2.0	£680
Cash Cathode	£678.5	-4.0	£656
3 months do. do.	£696	-3.25	£671
Gold Troy oz.	$163.875	-5.5	$180
Lead Cash	£302.5	+3.25	£300
3 months	£310.5	+3.75	£311
Nickel	‡		
Free Market (cif lb)	$1.93-2.05	....	$1.9-2.04
Platinum troy oz.	£117.50	....	£114.5
Free Market	£110.6	-2.75	£115.7
Quicksilver (76lb.)	$130-35	....	$130-35
Silver troy oz.	272.25p	-4.85	276.65p
3 months	277.85p	-4.75	281.45p
Tin Cash	£5,957.5	+62.5	£5,762.5
3 months	£5,942.5	+67.5	£5,775.5
Wolfram 22.04lb.cif	$139-44	-1.0	$147.55
Zinc cash	£292	+8.0	£274.5
3 months	£299.25	+8.0	£278.25
Producers	$550-600	....	$550
Oils			
Coconut (Phil)	$640s	....	$645
Groundnut	£743	....	£681
Linseed Crude (v)	£357	....	$512
Palm Malayan	$605x	+5.0	$560
Seeds			
Copra Philip.	$417.5t	....	$435
Soyabean (U.S.)	$301s	-0.5	$294
Grains			
Barley EEC	‡	....	‡
Home Futures	£85.2	+1.3	£73.9
Maize			
Fr nch No. 3 Am	£105.75s	....	£100.5
Wheat			
No. 1 Red Spring	£95.5y	....	£90
No2 Hard Winter	‡		‡
English Milling	£100r	....	£100
Cocoa shipment	£2,057	+30.0	£1,914
Future July	£1,946	+19.5	£1,858
Coffee Future			
July	£1,413	-5.0	£1,424
Cotton 'A' Index	69.75c*	+0.4	69.05c
Rubber kilo	51.5p	+1.5	47.5p
Sugar (Raw)	£99	....	£95
Wooltops 64s kilo	276p	+1.0	270p

* Nominal. ‡ Unquoted. s May-June. t May-Aug. a June. v April-June. y April-May. r May. x Per ton.

FINANCIAL TIMES

Apr. 19	Apr. 18	Month ago	Year ago
239.82	240.72	234.26	274.65

(Base: July 1, 1952=100)

REUTER'S

April 20	April 19	Month ago	Year ago
1448.9	1445.9	1416.1	1729.9

(Base: September 18, 1931=100)

DOW JONES

Dow Jones	April 19	April 18	Month ago	Year ago
Spot	369.68	361.15	358.45	433.00
Futures	362.32	352.18	344.27	412.52

(Average 1924-25-26=100)

MOODY'S

Moody's	April 19	April 18	Month ago	Year ago
Sple Commty	903.7	906.1	902.7	943.7

(December 31, 1931=100)

COTTON, Liverpool—Spot and shipment sales amounted to 245 tonnes, bringing the total for the week so far to 1,119 tonnes. A moderate turnover was registered in the raw cotton market, reports F. W. Tattersall. Various types of North and South American descriptions remained in sustained request.

★

GRIMSBY FISH—Supply good and demand good. Prices a stone at ship's side, unprocessed: Shelf cod £3.50-£4.00, codlings £2.90-£3.80; shelf haddock £4.40-£4.60, medium haddock £3.40-£4.20, small haddock £2.90-£3.20; medium plaice £3.20-£3.70, best small plaice £2.70-£3.70; skinned dogfish (large) £7.50, medium £5.50; lemon soles £6.00; saithe £2.40-£2.90.

U.S. Markets

Copper and sugar ease: coffee firm

NEW YORK, April 19.

COPPER closed lower on disappointed Commission House liquidation. Precious metals finished slightly easier following strength of the U.S. dollar. Sugar ended easier on chartist and local selling. Grains eased on commercial selling. Cocoa finished mixed. Coffee closed higher on rumours of a revised Brazilian crop. Bache reports.

Cocoa—May 151.50 (153.25), July 146.70 (147.70), Sept. 143.35, Dec. 137.55, March 133.10, May 129.35, July 127.05 settlements. Sales: 1,971.

Coffee—"C" Contract: May 177.75-177.50 (176.33), July 157.75-157.80 (156.38), Sept. 141.00, Dec. 127.50, March 120.50, May 117.50-118.00, July 114.00-116.00, Sept. 110.00-115.00. Sales: 615 lots.

Copper—April 58.60 (60.10), May 58.70 (60.30), June 59.30, July 59.60, Sept. 60.80, Dec. 62.30, Jan. 62.80, March 63.60, May 64.30, July 65.30, Sept. 66.80, Dec. 68.30, Jan. 68.80 settlements. Sales: 11,000 lots.

Cotton—No. 2: May 57.15 (57.59), July 58.40-58.45 (58.87), Oct. 60.30, Dec. 61.19-61.20, March 62.33, May 62.83-62.90, July 63.20-64.00, Oct. 62.75-63.75. Sales: 505,000 bales.

*Gold—April 173.60 (173.40), May 173.90 (174.00), June 174.30, Aug. 176.40, Oct. 178.60, Dec. 180.90, Feb. 183.20, April 185.60, June 188.50, Aug. 191.20, Oct. 194.00, Dec. 196.80, Feb. 199.70 settlements. Sales: 10,200 lots.

This edition was printed before last night's American commodity prices were available.

†Lard—Chicago loose 23.00 (same). New York prime steam 24.50 traded (24.60 nom.).

†Maize—May 256½-258 (260), July 257½-256½ (257½), Sept. 256-255½, Dec. 257½-257½, March 263½-264, May 266½.

‡Platinum—July 208.90-209.20 (207.50), Oct. 212.50 (211.30), Jan. 216.70-216.90, April 220.80-221.00, July 224.90-225.10. Sales: 1,264 lots.

¶Silver—April 504.90 (507.00), May 505.60 (508.00), June 509.20, July 512.80, Sept. 520.30, Dec. 532.20, Jan. 536.20, March 544.30, May 552.60, July 561.10, Sept. 569.70, Dec. 582.80, Jan. 587.30 settlements. Sales: 11,000 lots. Handy and Harman spot bullion 504.00 (505.00).

Soyabeans—May 723-725 (722), July 714-712 (715), Aug. 693-692, Sept. 655½, Nov. 629½-630½, Jan. 634-633, March 641, May 645½-645

‖Soyabean Meal—May 179.00-178.80 (181.30), July 182.00-182.50 (184.80), Aug. 181.50, Sept. 175.50, Oct. 170.50, Dec. 169.10-169.20, Jan. 170.00, March 173.50, May 174.00-175.00.

[illegible]

STOCK EXCHANGE REPORT

Market sentiment disturbed by weakness in sterling

Share index down 6.8 at 454.8—Golds on offer

Account Dealing Dates

*First Dealings	Option Declarations	Last Dealings	Account Day
Apr. 3	Apr. 13	Apr. 14	Apr. 25
Apr. 17	Apr. 27	Apr. 28	May 10
May 2	May 11	May 12	May 23

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

The recent recovery movement in stock markets came to a halt yesterday as market sentiment became increasingly disturbed by the weakness in sterling. Gilt-edged securities were well to the fore in the day's reaction, particularly short-dated issues which met some fairly heavy selling *after the previous day's good* advance. Losses in this area ranged to ½ at the close. Boosted at the start by news that the long "tap" had been exhausted, long-dated issues eventually drifted lower to close with falls extending to ¾. The Government Securities index lost 0.33 to 71.83.

Scattered selling and the absence of any follow-through support brought the equity leaders back a few pence or so. Trading conditions were again rather quiet and the bulk of the day's reaction took place during the morning session. This was reflected in the FT 30-share index which extended a loss of 5.2 at noon to one of 6.8 at 454.8 at the close. Among the index constituents, Turner and Newall were outstandingly dull at 171p, down 17, on the £32m. rights issue and the cautious *statement* on trading prospects.

In contrast to the leaders, secondary issues made a mixed showing, but rises had the edge over falls in FT-quoted Industrials. Little worthy of note developed in the sectors, but overseas issues gave ground in sympathy with the fall in the dollar premium. Official markings of 4,995 compared with 4,568 yesterday and 5,820 a week ago.

The U.S. Treasury's decision to sell 1.8m. ounces of gold over six months starting next month made for marked weakness in the *bullion price which, in turn,* prompted a sympathetic reaction in Gold shares. After being marked down sharply at the opening, prices held reasonably steady at the lower levels until the late dealings when *U.S.* offerings left final quotations at the lowest of the day. The Gold Mines index fell 6.4 to 134.7.

Turndown in Gilts

Overshadowed by the weakness in sterling, British Funds took a distinct turn for the worse yesterday. The recent exuberance at the short-end of the market which followed news of the exhaustion of the "tap" stock soon faded as prices gave way in the face of some heavy selling which left *final quotations with falls extending* to ¼. Helped initially by further sales of the long tap, Exchequer 10¼ per cent., 1995, at 87, stock in this area held steady, but once it became known that the Government broker's supplies had been exhausted, prices tended easier to close with losses ranging to ¾. The reaction, however, mainly reflected lack of fresh support. The announcement of a new short tap is expected to-day, but feelings about an issue to-day of a long tap were mixed.

The investment currency market moved very erratically in another good two-way trade. Buyers were in evidence at the start and the premium moved to 112½ per cent. from the overnight 110¼ *per cent.* Sellers *soon* took the upper hand, however, and the rate fell away to a day's low of 105½ per cent. before rallying late on buying for U.S. investment purposes and the closing level was *109¼ per cent.—a net loss of 1¼.* The conversion factor was 0.6832 0.6664).

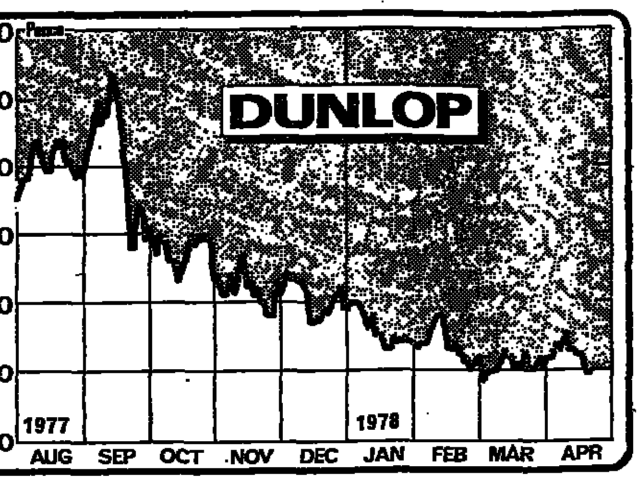
Clive disappoint

Wednesday's firm trend which had stemmed from Press suggestions that the major clearers may raise their charges following the Price Commission's report gave way to easier conditions in Banks. *Prices opened lower and drifted* down with the general trend. Lloyds, 262p, and Midland, 352p, both receded 8, while NatWest ended 6 off at 276p and Barclays 3 cheaper at 330p, after 346p. The reaction in the investment currency premium was mirrored *by respective* falls of 13 and 15 in National Bank of Australasia, 220p, and Bank of New South Wales, 490p. Clive Discount, a good market of late in front of the preliminary results, fell away sharply to touch 71p on disappointment with the outcome before rallying to close 4 down on the day at 75p on consideration of the proposed capitalisation issue of preference and Ordinary shares.

Dealings were resumed yesterday in Leslie and Godwin follow*ing the decision made by Lloyd's* of London that all Lloyd's brokers should remain independent; this led to yesterday's announcement that the proposed bid for Leslie from American insurance giant Frank B. Hall had been withdrawn. Leslie returned at 85p compared with the suspension price of 93p and touched 91p before closing at 90p. Elsewhere, Willis Faber relinquished 3 to 275p in reaction to the chairman's bearish annual statement and C. E. Heath cheapened 7 to 255p.

Breweries drifted gently lower. Scottish and Newcastle eased a penny to 64½p, Allied 1½ to 85½p and A. Guinness 2 to 174p. Elsewhere, James Crean rose 4 to 132½p in response to the interim profits increase.

Building descriptions, dull from the outset, drifted down in minimal business. Of the leaders, AP Cement eased 4 to 228p. J. Mowlem responded to the annual results with a rise of 2½ to 129p, but Tilbury Contracting shed 5 to 248p. Profit-taking had Royco 3 down at 38p after the previous day's rise of 2½ which following *the annual results.* Pochins, on the other hand, attracted small buying to close 2 up at 89p after 90p.



Elsewhere, modest demand in a thin market lifted J.C.E.G. 3½ to 27½p. Brown and Jackson firmed 2 more to 73p after renewed *interest. Heywood Williams* encountered more business and touched 94p before closing 1½ easier at 90p, while Higgs and Hill shed 3 at 81½p on further consideration of the annual results.

Modest selling clipped 5 from ICI to 336p after a small trade. In contrast, Hickson Welch put on 3 to 170p after 173p, and Brent firmed 4 to 208p.

Owen Owen please

Leading Stores turned reactionary in sympathy with the general trend. Marks and Spencer, 142p, British Home, 177p, Gussies A, 278p, and Mothercare, 156p, all sustained losses of 4, while W. H. Smith A shed 3 to 142p as did Burton A, to 114p. Secondary issues, however, held up well with *Owen Owen a firm feature at 77p,* up 7, in response to the better-than-expected preliminary Results. B. Paradise firmed 3 to 23p in a thin market and Freemans added 4 at 306p.

Plessey came on offer in Electricals, losing 4 to 95p on the decision by the ICAC to adopt an American-Australian instrument landing system rather than the U.K. Doppler system. BICC eased 2 to 115p, while Thorn Electrical finished 4 off at 334p and GEC 3 cheaper at 237p. On a more cheerful note, Farnell Electronics advanced 8 to 230p on small buying in anticipation of next Tuesday's preliminary figures.

Martonair International came to the fore in Engineerings, rising 14 to 160p in response to the sharp increase in first-half earn*ings. Clayton firmed 2 to 67p,* after 68p, following the annual results and Victor Products, at 110p, recorded a Press-inspired improvement of 6. Demand was forthcoming for Weston-Evans, where a 25.9 per cent. shareholding has recently changed hands, and the shares improved steadily to finish 4 up at 97p. Whessoe added 5 at 88p and Rotork rose 4 to 116p. Still reflecting the second-half profits slowdown, Weeks Associates relinquished a penny more to 30p. The leaders eased with the general trend and Hawker, at 196p, gave up 6 of the previous day's gain of 14 which followed a *favourable Press reception to the* annual results.

Foods had an easier tendency. Associated Dairies, at 220p, gave up 4 of the previous day's rise *of 7,* while *J. Lyons,* 91p, and Cadbury Schweppes, 53½p, shed a penny apiece. Associated Biscuit, a firm market of late, shaded 2 to 84p. Tate and Lyle closed without alteration at 190p, after 158p, following news of the company's diversification into the furniture business. Associated Fisheries provided an isolated firm spot at 50p, up 3, on revived speculative interest.

City Hotels rose 4 to a 1978 *peak of 112p on the preliminary* figures and capital proposal, while Adda International hardened 1½ to 34½p and Savoy Hotel "A" 2 to 70p. Ladbroke, however, eased 2 to 183p following adverse Press comment.

The recent rally in the miscellaneous Industrial leaders came to an abrupt halt yesterday when prices turned lower on concern about the sudden relapse in sterling. Quotations opened easier and then drifted lower still in sympathy with gilt edged. Turner and Newall became a weak feature, falling 17 to 171p follow*ing the surprise announcement of* a proposed £32m. rights issue and an accompanying bearish statement concerning current year prospects. Boots, 202p, Glaxo, 528p, and Metal Box, 296p, all finished 4 easier, while Beecham softened 2 to 628p as did Pilkington, to 453p. Scottish and Universal, however, improved 3 to 120p following formal offer documents from Lonrho and subsequent opposition to the terms currently worth around 130p per share, from "Suits" majority Board: House of Fraser picked up 2 to 149p in sympathy. Elsewhere, speculative buying fuelled by bid hopes helped Chubb put on 5 to 135p, after 136p, while Lead Industries, 141p, and Hestair, 110p, rose 4 and 2 respectively following trading statements. Foseco Minsep encountered support ahead of next Wednesday's annual results and rose 6 to 139p, while demand in a restricted market lifted Robert McBride 30 to 390p. Renewed investment demand helped Sotheby Parke add 7 to 255p. Coral Leisure lost the *turn to 113p despite the* sharply higher profits and Dixor fell 6 to 58p on the absence of fresh take-over developments.

Motor Distributors continued to *attract a fair amount of interest* with Ford dealers prominent in the wake of the excellent figures and capital proposals reported by H. Perry which closed 9 higher at 184p, after 186p. T. C. Harrison rose 4 to 105p, while Hanger Investments, 30p, Lookers, 61p, and Manchester, 29p, all finished 2 better. Elsewhere Dunlop hardened a penny to 80p on the preliminary figures which were in line with market expectations. Rolls-Royce closed a like amount up at 81½p, after 82p, on the chairman's statement on prospects, but small selling clipped 2 *from Lucas Industries at 279p.*

North Sea oil-orientated stocks made modest progress among Newspapers. Daily Mail and General A improved 3 to 278p, while Associated hardened 2 to 148p as did Thomson, to 222p. Elsewhere, the reaction in the dollar premium took its toll on Ogilvy and Mather which fell 1½ points to £38½. Still unsettled by Tuesday's revelation that the Inland Revenue intends to launch *criminal* proceedings against the company, Collett Dickenson Pearce softened a penny further to 57p.

Properties drift

Trade fell away in Properties and leading issues, initially steady, drifted to lower levels on lack of *interest. Land Securities,* 196p, and MEPC, 109p, both eased a couple of pence, while Stock Con*version,* 224p, and United Real, 248p, cheapened 4 apiece. In secondary issues, Berkeley Hambro softened 3 to *84p,* as did Clarke Nickolls, 70p, the latter on further reflection of the annual results. Bellway, in contrast, firmed 3 to 67p in the wake of renewed take-over speculation and Intereuropean rose a like amount to 31p in response to increased interim revenue.

In Oils Shell, already 3 lower, eased a penny further late to *523p following news of an official* strike at Shell's U.K. oil terminals scheduled to begin at 6 a.m. to-day. Burmah Oil, which rose 7 the previous day in response to the annual results, fell away to 50p before rallying to 51p for a net fall of 3. Ultramar eased 2 to 244p after 240p, while Tricentrol closed 4 lower at 162p. Trade in British Petroleum remained thin throughout the session and the shares held at 770p.

Investment Trusts adopted no set pattern. Viking Resources hardened 1½ to 83p on the increased earnings, while Estate Duties, 268p, and 1928 Investment, 199p, put on 3 apiece. London Australia Investments contrasted with a reaction of 4 to 134p awaiting fresh developments in the bid situation. Yule Catto featured Financials, rising 4 to 81p on the prospect of a capital repayment of up to 10p a share.

P & O Deferred fell 3 to 92p in otherwise little-changed Shippings.

Press suggestions of a bid from *Coats Patons fuelled* fresh speculative interest in Dawson International which rose 8 to 120p for a two-day gain 18; CP closed a penny firmer at 76p. Other Textiles to make headway included William Reed, 3 better at 82p, and Parkland A, 4 higher at 68p. Imps typified conditions in Tobaccos, closing without alteration at 76p after fluctuating narrowly.

South African Industrials took a turn for the worse. Abercom Investments fell 12 to 103p, while O.K. Bazaars, 315p, and Tiger Oats, 550p, lost 10 apiece.

Consolidated Plantations figured prominently in Rubbers, rising in active trading to close 7 higher at a 1978 peak of 141p, while further consideration of Wednesday's trading statement pushed McLeod *Russel up 5 more to 217p in other*wise quiet Teas.

Heavy falls in Golds

South African Gold shares fell *to their lowest levels since the* beginning of the year in line with the sharp fall in the bullion price following news of the US Treasury's decision to auction 300,000 ozs of gold every month *for at least six months starting* on May 23.

The Gold Mines index dropped 6.4 to 134.7, while the bullion price registered a $5.50 fall to $168.875 per ounce, its lowest closing level since January 5.

Shares were marked down substantially at the outset of trading and drifted further as Cape and local selling came into the market. However, this selling was by no means aggressive and prices rallied briefly owing to bear closing.

But in the after hours business U.S. offerings emerged and final quotations were at or around the day's lowest levels with losses aggravated by the weakness of the investment currency premium.

Hardest hit among the heavyweights were Randfontein, £1½ down at £31¼, West Driefontein, £1¼ off at £16⅞ and Western Holdings, a point lower at £15⅝. The March dividend declarations by the Anglo American group's Orange Free State producers were not known during market hours.

Financials mirrored Golds. Among the South African registered issues Union Corporation gave up 12 to 266p, Anglo *American 10 to 300p and De Beers* the same amount to 325p, the latter in front of the annual report and chairman's statement.

London-based Financials showed Gold Fields finally 7 off at 163p following an active day and Rio Tinto-Zinc 8 cheaper at 198p. Selection Trust declined 8 to 404p *following the results.*

The fall in the investment premium prompted sharp losses in Australians. Oakbridge were 9 cheaper at 146p while Bougainville closed 7 lower at 103p. In *Uraniums Peko-Wallsend fell* 13 to 455p.

On the other hand, the Lond registered Hampton Ar attracted a flurry of buying terest on further consideration the reported acquisition by of 17½ per cent. of the compa the shares touched a 1978 high 128p before easing back to cl 13 higher at 123p.

Elsewhere, rumours of closure of part of the mine maintenance and repairs Cons. Murchison aggressively by the Cape and finally 30 do at 235p.

FINANCIAL TIMES STOCK INDICES

—	Apr. 20	Apr. 19	Apr. 18	Apr. 17	Apr. 14	Apr. 13	A year ago
Government Secs.	71.83	72.16	71.76	71.73	71.50	71.53	68.5
Fixed Interest	75.08	75.20	74.91	74.84	75.13	75.31	69.3
Industrial Ordinary	454.8	461.6	453.6	446.7	447.4	452.9	418.
Gold Mines	134.7	141.1	137.9	142.3	147.0	150.8	109.
Ord. Div. Yield	5.90	5.84	5.94	6.02	6.01	5.95	5.4
Earnings Y'ld%(full)(*)	17.61	‡17.26	17.44	17.69	17.69	17.58	16.3
P/E Ratio (net)(*)	7.66	8.00	7.92	7.80	7.80	7.94	8.9
Dealings marked	4,995	4,568	4,608	4,482	4,930	5,820	5,26
Equity turnover £m.	—	68.73	75.98	69.11	71.43	80.47	65.5
Equity bargains total	—	14,301	15,132	14,696	14,465	14,785	15,17

10 a.m. 459.3. 11 a.m. 458.8. Noon 456.4. 1 p.m. 456.9. 2 p.m. 455.8. 3 p.m. 455.8.
Latest Index 01-246 8026.
* Based on 52 per cent. corporation tax. † Nil=7.54.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942. ‡ Correction.

HIGHS AND LOWS

—	1978 High	1978 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	78.58 (5/1)	71.60 (14/4)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	81.27 (9/1)	74.84 (17/4)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	497.5 (5/1)	433.4 (2/3)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	168.6 (3/3)	130.3 (5/1)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Apr. 20	Apr. 19
—Daily		
Gilt-Edged	164.7	156.1
Industries	166.1	155.2
Speculative	41.7	36.7
Totals	113.7	104.0
5-day Av'rage		
Gilt-Edged	161.1	170.0
Industrials	161.3	168.2
Speculative	37.3	35.1
Total	107.4	111.1

NEW HIGHS AND LOWS FOR 1978

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1978.

NEW HIGHS (82)

AMERICANS (1)
Tenneco 10pc Ln. 1991-95

BANKS (1)
Copenhagen Handbk.

BUILDINGS (3)
Brown (J.) Monk (A.)
Lafarge S.A.

CHEMICALS (1)
Revertex

CINEMAS (1)
Grampian A

DRAPERY & STORES (6)
Cornell Dresses Lee Cooper
Freemans Paradise (B.)
Home Charm Status Discount

ELECTRICALS (2)
Farnell Elect. Ind. Scientific

ENGINEERING (9)
Chemring Hopkinsons
Cornercroft Martonair
Cummins 3¼pc 1978/94 Neill (Jas.)
Hill & Smith Victor Prods.
Wetton-Evans

HOTELS (2)
Borel (J.) City Hotels

INDUSTRIALS (14)
Austin (F.) (Leyton) Lindsay & Williams
Barr & W.A.T. A McBride (R.)
Chubb Magnolia
Cosalt Mitchell Cotts Trnspt.
G.R. Holdings Royal Worcester
Hay (Norman) Sale Tilney
Hill (Chas.) Wedgwood

INSURANCE (1)
London United

MOTORS (3)
Supra Perry (H.)
Lookers

PAPER (1)
British Printing

PROPERTY (2)
Estates & Agency HK Land

Coats Patons
Dawson Intl.
Do. A
Foster (J.)
Ingram (H.)

TEXTILES (9)
Leigh Mills
Shaw Carpets
Tern-Consulate
Yorks. Fine Wool

TRUSTS (10)
Atlanta Baltimore N.Y. & Gartmore
Berry Trust Prog. Secs. Inv.
City & Foreign Inv. Scot. Eastern Inv.
Elect. & General West Coast & Tex.
Equity Inc. Trans. Market Tr

OILS (1)
Texaco 4¾pc Conv.

OVERSEAS TRADERS (4)
Berisford (S. & W.) Inchcape
Hoffnung (S.) Steel Bros.

RUBBERS (5)
Bertam Cons. Highlands
Castlefield Kuala Kepong
Consld. Plantations

TEAS (2)
Empire Plantations Longbourne

MINES (4)
Silvermines Hampton Areas
Tanganyika Burma Mines

NEW LOWS (13)

FOREIGN BONDS (1)
Antofagasta Railway

INDUSTRIALS (1)
Turner & Newall

INSURANCE (1)
Leslie & Godwin

PROPERTY (1)
Slough Estates

SHIPPING (1)
Milford Docks

SOUTH AFRICANS (1)
Gold Fields Prop.

TRUSTS (3)
Archimedes Inc. Fundinvest Inc.
City & Com. Inc.

MINES (4)
Libanon Harmony
Stilfontein G. M. Kalgoorlie

FOOD PRICE MOVEMENTS

	April 20 £	Week ago £	Month ago £
BACON			
Danish A.1 per ton	1,060	1,060	1,060
British A.1 per ton	1,035	1,035	1,035
Irish Special per ton	1,035	1,035	1,035
Ulster A.1 per ton¶	1,035	1,035	1,035
BUTTER			
NZ per 20 lbs	11.41/11.52	11.41/11.52	11.41/11.52
English per cwt†	67.38	67.38	—
Danish salted per cwt†	70.15/72.42	70.15/72.42	70.15/71.18
CHEESE¶			
NZ per tonne	1,161.50	1,161.50	1,161.50
English cheddar trade per tonne	1,202.10	1,202.10	1,219.42
EGGS*			
Home produce:			
Size 4	3.40/3.90	3.30/3.80	3.60/4.20
Size 2	4.30/4.80	4.10/4.60	4.10/4.70
	April 20 p	Week ago p	Month ago p
BEEF			
Scottish killed sides (ex-KKCF)	52.5/56.5	53.0/56.5	53.0/56.5
Eire forequarters	36.0/40.0	37.0/40.0	37.0/40.0
LAMB			
English	—	—	—
NZ PLs-PMs	43.5/47.5	44.0/46.5	44.0/46.5
MUTTON—English ewes	—	—	—
PORK—(all weights)	36.0/44.0	35.0/43.5	35.0/43.5
POULTRY—Broiler chickens	33.0/36.0	33.0/35.0	33.0/35.0

* London Egg Exchange price per 120 eggs. † Delivered. ¶ For delivery April 22-29.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	3	61	18
Corpns., Dom. and Foreign Bonds	17	6	43
Industrials	318	279	951
Financial and Prop.	117	144	260
Oils	7	13	14
Plantation	9	7	18
Mines	9	88	33
Recent Issues	5	2	9
Totals	485	592	1,338

OPTIONS TRADED

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Apr. 11	Apr. 24	July 6	July 18
Apr. 25	May 9	July 20	Aug. 1
May 10	May 22	Aug. 3	Aug. 17

For rate indications see end of Share Information Service

Money was given for the call in William Press, Spillers, C. E. Heath, Premier Consolidated Oil, Town and City Properties, Ladbroke, Dawson International and A. Northern Mining, and Yule Catto. Puts were done in Vosper, and Cons. Gold Fields, *while doubles were arranged in* J. Bibby, Dunbee-Combex and Ffitch Lovell. A short-dated call was taken out in Lennons, while a double was transacted in Farnell Electronics.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1978 high	1978 low
Marks & Spencer	25p	14	142	− 4	160	136
ICI	£1	12	336	− 5	365	328
Barclays Bank	£1	11	350	− 3	353	296
GEC	25p	11	237	− 5	278	233
BP	£1	9	770	—	864	720
Beecham	25p	8	628	− 2	678	583
Burmah Oil	£1	8	51	− 3	57	42
Plessey	50p	8	95	− 4	103	87
RTZ	25p	8	198	− 8	206	164
Shell Transport	25p	8	523	− 4	533	484
Allied Breweries	25p	7	85½	− 1½	93½	78
Grand Met.	50p	7	104	− 1½	109	87
Woolworth (F.W.)	25p	7	67	− 1½	72	61
BATs Defd.	25p	6	260	+ 2	269	227
Dunlop	50p	6	80	+ 1	90	78

RECENT ISSUES

EQUITIES

Issue Price p‡	Amount Paid Up	Latest Renunc. Date	1978 High	1978 Low	Stock	Closing Price p‡	+ or −	Div. P. or Amount	Times Covered	Gross Yield	P.E. Ratio
105	F.P.	26/4	131	118	Saga Holidays	131	+1	6.75	2.2	7.8	8.9

FIXED INTEREST STOCKS

Issue Price	Amount Paid Up	Latest Renunc. Date	1978 High	1978 Low	Stock	Closing Price £	+ or −
99	F.P.	—	94p	91p	Amal. Inds. 10.5% 2nd. Prf.	93½p	
$100	F.P.	—	$99¾	$99¾	Amer. Express Int Fin. Variable '82	$99¾	
100p	F.P.	20/5	110p	108p	Armitage (G.) 10½% 2nd Cum. Pref.	110p	
100	F.P.	—	[illegible]	100p	Britain 9% Conv. Cum. Red. 2nd Pref.	100p	
¶¶	M.S.	—	27½	27	Dalek Malay 10% 1st. Mort. '83-88	27	
**	F.P.	21/4	[illegible]	98½p	Greenall Whitley 8% Prf.	98½p	
**	F.P.	28/4	104½	101½	Jenks & Cattell 10% Cum. Pref.	103p	+1
—	F.P.	9/6	103½	102	Menzies (J.) 9% Cum. Prf.	102½p	
£	F.P.	28/7	102½	102	Mid-Sussex Water 10% Red. Prf. 1983	102	
¶¶	F.P.	9/5	108	97	Talbex 11¼% Cnv. Uns. Ln. 79-83	100⅛	−⅛
**	F.P.	14/4	115	114p	W. Bromwich Spring 11.5% Prf.	114p	−1
£98	£25	8/6	24½	24	York Water 11% Deb. 1986	24	

"RIGHTS" OFFERS

Issue Price p‡	Amount Paid Up	Latest Renunc. Date		1978 High	1978 Low	Stock	Closing Price p‡	+ or −
50	Nil	3/5	31/5	76pm	62pm	Bullough	76pm	+2
105	Nil	—	—	29pm	25pm	London & Manchester Assurance	29pm	+1
62	F.P.	29/3	10/5	80	76	Watmoughs	86	+1

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. t Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. || Offered to holders of Ordinary shares as a "rights." ** Rights by way of capitalisation. †† Minimum tender price. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ||| Introduction. □ Issued to former Preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants.

FT—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS / GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thur., April 20, 1978 Index No.	Day's Change %	Est. Earnings Yield% (Max.) Corp. Tax 52%	Gross Div. Yield% (ACT at 34%)	Est. P/E Ratio (Net.) Corp. Tax 52%	Wed. Apr. 19 Index No.	Tues. Apr. 18 Index No.	Mon. Apr. 17 Index No.	Fri. Apr. 14 Index No.
1	CAPITAL GOODS (170)	199.45	−0.5	18.03	5.93	7.81	200.42	197.87	195.39	195.64
2	Building Materials (27)	178.64	−0.1	18.25	6.00	7.88	178.91	177.37	174.74	176.56
3	Contracting, Construction (26)	313.79	+0.4	18.37	4.19	8.10	312.59	308.97	303.20	302.98
4	Electricals (15)	416.25	−1.9	16.69	4.26	8.59	424.32	415.56	413.91	409.54
5	Engineering Contractors (14)	292.46	−0.1	17.04	6.82	7.93	292.85	288.86	283.69	285.56
6	Mechanical Engineering (71)	161.03	−0.2	19.95	6.45	6.87	161.32	158.49	157.01	156.89
8	Metals and Metal Forming (17)	160.40	+0.3	16.35	8.73	8.47	159.86	160.88	156.82	159.21
	CONSUMER GOODS									
11	(DURABLE) (52)	184.23	−0.1	18.44	5.14	7.83	184.41	182.92	180.26	180.11
12	Lt. Electronics, Radio TV (15)	216.55	−0.3	16.20	3.94	8.87	217.22	214.86	210.93	218.69
13	Household Goods (12)	166.61	+0.6	17.15	6.77	8.11	165.59	164.97	163.60	163.68
14	Motors and Distributors (25)	116.67	+0.1	22.13	6.56	6.60	116.60	116.03	114.83	114.75
	CONSUMER GOODS									
21	(NON-DURABLE) (170)	194.27	−0.6	16.47	5.98	8.38	195.52	192.38	189.56	189.85
22	Breweries (14)	221.73	−0.8	14.72	6.00	10.29	223.56	218.19	214.69	216.57
23	Wines and Spirits (6)	253.53	−0.2	15.95	5.68	9.51	254.00	247.15	243.37	243.53
24	Entertainment, Catering (17)	247.98	−0.5	13.99	6.88	10.37	249.24	246.51	241.97	241.35
25	Food Manufacturing (22)	187.41	−0.5	21.76	5.76	6.39	188.36	186.69	184.27	185.96
26	Food Retailing (16)	190.29	−0.7	14.51	4.86	9.95	191.50	190.06	185.76	186.22
32	Newspapers, Publishing (13)	337.78	+0.6	11.49	3.79	12.80	335.81	330.95	328.21	328.12
33	Packaging and Paper (15)	126.74	−0.1	20.77	9.34	6.92	126.90	125.49	123.28	124.16
34	Stores (39)	178.90	−1.5	10.96	4.48	13.38	181.55	178.11	175.60	175.30
35	Textiles (25)	170.59	+0.3	21.67	7.81	5.71	170.16	168.65	166.59	166.72
36	Tobaccos (3)	235.50	—	23.47	7.95	5.06	235.50	230.35	227.69	226.10
37	Toys and Games (6)	96.85	−1.4	20.86	6.19	6.41	98.23	97.60	95.75	95.67
41	OTHER GROUPS (97)	181.39	−0.6	17.83	6.14	7.38	182.45	180.49	178.26	178.51
42	Chemicals (19)	245.79	−1.0	20.49	7.04	6.67	248.26	244.27	242.19	241.26
43	Pharmaceutical Products (7)	242.72	−0.5	11.63	4.20	10.88	243.84	240.99	239.53	240.02
44	Office Equipment (6)	126.40	−0.6	19.20	4.93	6.12	127.10	127.37	123.67	123.56
45	Shipping (10)	408.84	−0.6	23.74	7.41	4.97	411.42	411.75	398.54	405.06
46	Miscellaneous (55)	191.84	−0.2	17.61	6.48	7.72	192.25	190.39	187.98	188.71
49	INDUSTRIAL GROUP (495)	198.12	−0.6	17.31	5.95	7.94	199.22	196.55	193.88	194.13
51	Oils (5)	449.29	−0.4	16.77	4.41	6.76	451.09	447.48	442.21	435.10
59	500 SHARE INDEX	219.08	−0.5	17.23	5.72	7.74	220.24	217.47	214.57	214.29
61	FINANCIAL GROUP (100)	159.56	−0.9	—	5.78	—	161.02	158.83	156.24	156.27
62	Banks (6)	189.98	−1.7	25.15	5.67	6.02	193.33	188.62	186.11	185.71
63	Discount Houses (10)	193.11	−0.7	—	8.55	—	194.49	192.33	186.25	185.46
64	Hire Purchase (5)	143.01	−0.4	13.68	5.60	10.82	143.57	139.13	136.52	140.38
65	Insurance (Life) (10)	128.92	−0.2	—	7.06	—	129.17	129.23	124.97	126.76
66	Insurance (Composite) (7)	123.77	−0.7	—	6.89	—	124.59	123.43	121.64	121.62
67	Insurance Brokers (10)	329.82	−0.6	14.68	4.42	9.87	331.96	331.24	323.44	319.99
68	Merchant Banks (14)	75.52	−0.2	—	6.38	—	75.69	74.90	73.47	73.83
69	Property (31)	214.63	−0.9	3.05	3.22	64.03	216.49	213.21	210.95	218.03
70	Miscellaneous (7)	105.45	−0.3	24.78	7.53	5.59	105.72	104.25	103.73	104.32
71	Investment Trusts (50)	197.61	—	3.34	4.84	29.93	197.63	195.70	189.40	186.89
81	Mining Finance (4)	90.58	−3.3	17.21	7.75	6.76	93.66	92.53	90.27	89.39
91	Overseas Traders (19)	293.99	+0.5	16.19	6.67	7.69	292.59	290.01	286.77	285.48
99	ALL-SHARE INDEX (673)	203.21	−0.6	—	5.74	—	204.44	201.87	198.87	198.46

FIXED INTEREST PRICE INDICES

	British Government	Thur. Apr. 20	Day's change %	xd adj. To-day	xd adj. 1978 to date
1	Under 5 years	106.26	−0.22	—	3.33
2	5-15 years	116.64	−0.42	—	2.07
3	Over 15 years	120.61	−0.41	—	4.97
4	Irredeemables	136.73	−0.36	—	1.78
5	All stocks	113.94	−0.33	—	3.70

FIXED INTEREST YIELDS

	Br. Govt. Av. Gross Red.		Thur. Apr. 20	Wed. Apr. 19
1	Low Coupons	5 years	8.36	8.34
2		15 years	10.78	10.62
3		25 years	11.21	11.14
4	Medium Coupons	5 years	10.50	10.38
5		15 years	11.98	11.90
6		25 years	12.15	12.10
7	High Coupons	5 years	10.93	10.81
8		15 years	12.57	12.51
9		25 years	12.73	12.66
10	Irredeemables		10.91	10.86

		Thurs., April 20 Index No.	Yield %	Wed. April 19	Tuesday April 18	Monday April 17	Friday April 14	Thurs. April 13	Wed. April 12	Tuesday April 11
15	20-yr. Red. Deb & Loans (15)	58.72	†12.64	59.52	59.52	59.56	59.58	59.49	60.07	60.44
16	Investment Trust Prefs. (15)	54.61	12.98	54.93	54.61	54.65	54.46	54.48	56.14	55.82
17	Coml. and Indl. Prefs. (20)	70.84	12.93	71.42	71.42	71.82	71.81	73.04	73.01	72.53

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A new list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p.

Notice of Redemption

Nippon Electric Company, Limited

7½% Guaranteed Sinking Fund Debentures Due 1981

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of May 15, 1969, under which the above described Debentures were issued, Citibank, N.A., as Trustee, has drawn by lot, for redemption on May 15, 1978, through the operation of the sinking fund provided for in said Indenture, $733,000 principal amount of Debentures of said issue of the following distinctive numbers:

COUPON DEBENTURES OF $1,000 PRINCIPAL AMOUNT OUTSTANDING

[illegible]

The Debentures specified above are to be redeemed for said sinking fund at the WCG Bond Window-2nd Floor of Citibank, N.A., 111 Wall Street, in the Borough of Manhattan, The City of New York, State of New York, the main offices of Citibank, N.A. in Amsterdam, Netherlands and Milan, Italy; The Chase Manhattan Bank (National Association) in Paris, France and Frankfurt/Main, Germany; The Bank of Tokyo, Ltd., London, England and Brussels, Belgium and at Kredietbank S.A. Luxembourgeoise, Luxembourg, as the Company's paying agents, and will become due and payable UPON PRESENTATION AND SURRENDER THEREOF on May 15, 1978, at the redemption price of 100 percent of the principal amount thereof plus accrued interest on said principal amount to such date. On and after such date, interest on said Debentures will cease to accrue.

Said Debentures should be presented and surrendered at the offices set forth in the preceding paragraph on said date with all interest coupons maturing subsequent to the redemption date appertaining thereto. Coupons due May 15, 1978 should be detached and presented for payment in the usual manner.

For NIPPON ELECTRIC COMPANY, LIMITED
By: CITIBANK, N.A., Trustee

April 13, 1978

هكذا من الأصل

INSURANCE, PROPERTY, BONDS

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

BASE LENDING RATES

B.N. Bank	7½%	■ Hambros Bank	7½%
...ied Irish Banks Ltd.	7½%	■ Hill Samuel §	7½%
...erican Express Bk.	6½%	C. Hoare & Co. †	7½%
...nro Bank	7½%	Julian S. Hodge	8½%
...P Bank Ltd.	7½%	Hongkong & Shanghai	7½%
...nry Ansbacher	7½%	Industrial Bk. of Scot.	8½%
...nco de Bilbao	7½%	Keyser Ullman	7½%
...nk of Credit & Cmce.	7½%	Knowsley & Co. Ltd.	9 %
...nk of Cyprus	7½%	Lloyds Bank	6½%
...nk of N.S.W.	7½%	London Mercantile	7½%
...nque Belge Ltd.	7½%	E. Manson & Co. Ltd.	9 %
...nque du Rhone	8 %	Midland Bank	7½%
...rclays Bank	6½%	■ Samuel Montagu	6½%
...rnett Christie Ltd.	8½%	■ Morgan Grenfell	7½%
...emar Holdings Ltd.	8½%	National Westminster	7½%
...it. Bank of Mid. East	7½%	Norwich General Trust	7½%
...own Shipley	7½%	P. S. Refson & Co.	7½%
...nada Perm'nt Trust	7½%	Rossminster Accept'cs	7½%
...pitol C & C Fin. Ltd.	8½%	Royal Bk. Canada Trust	7½%
...yzer Ltd.	8 %	Schlesinger Limited	7½%
...dar Holdings	8 %	E. S. Schwab	9½%
...arterhouse Japhet	7½%	Security Trust Co. Ltd.	8½%
...oulartons	7½%	Shenley Trust	9½%
...E. Coates	8½%	Standard Chartered	7½%
...nsolidated Credits	6½%	Trade Dev. Bank	7½%
...operative Bank *	7½%	Trustee Savings Bank	7½%
...rinthian Securities	6½%	Twentieth Century Bk.	8½%
...edit Lyonnais	7½%	United Bank of Kuwait	8½%
...e Cyprus Popular Bk.	7½%	Whiteaway Laidlaw	8 %
...ncan Lawrie ¶	7½%	Williams & Glyn's	7½%
...gil Trust	7½%	Yorkshire Bank	7½%
...glish Transcont.	8 %		
...st London Secs.	7½%		
...st Nat. Fin. Corpn.	8½%		
...st Nat. Secs. Ltd.	8 %		
...tony Gibbs	7½%		
...eyhound Guaranty	7½%		
...indlays Bank ‡	7½%		
...inness Mahon	7½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 4%. 1-month deposits 4½%.
† 7-day deposits on sums of £10,000 and under 4%, up to £25,000 4½% and over £25,000 5%.
‡ Call deposits over £1,000 4%.
§ Demand deposits 5%.
¶ Rate also applies to Sterling Ind. Secs

NOTES

Prices do not include $ premium, except where indicated ♦, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b To-day's prices. c Yield based on offer price. d Estimated. g To-day's opening price. h Distribution free of U.K. taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ¶ Guernsey gross. ø Suspended. ♦ Yield before Jersey tax. † Ex-subdivision.

CORAL INDEX: Close 451-456

INSURANCE BASE RATES

† Property Growth	8 %
† Vanbrugh Guaranteed	8.25%

† Address shown under Insurance and Property Bond Table

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1978 High	Low	Stock	£	+ or −	Yield Int.	Red.
102$\frac{13}{16}$	100¾	Treasury 10½pc '78‡‡	100¾	−$\frac{1}{32}$	10.42	7.22
99⅝	98¾	Exch. 5pc '76-78‡‡	99⅛	.....	5.04	7.01
105⅞	102½	Treasury 11½pc '79‡‡	102$\frac{27}{32}$	−$\frac{1}{32}$	11.18	8.05
97	94⅛	Treasury 3pc '79‡‡	95⅝	.....	3.14	6.28
97⅞	95⅛	Electric 4½pc '74-79	96⅜	....	4.41	6.93
104$\frac{11}{16}$	101⅝	Treasury 10½pc '79‡‡	101$\frac{13}{16}$xd	−$\frac{1}{16}$	10.30	9.10
96½	94¾	Electric 3½pc '76-79	96⅛xd	.....	3.64	6.32
103⅛	98⅛	Treasury 9pc 1980‡‡	99$\frac{3}{16}$	−⅛	9.06	9.39
102$\frac{15}{16}$	99⅛	Treasury 9½pc '80‡‡	100$\frac{3}{16}$xd	−¼	9.48	9.41
95⅛	92⅜	Treasury 3½pc '77-80	93⅜	+¼	3.75	6.85
96½	94	Funding 5¼pc '78-80‡‡	95⅛	.....	5.52	7.75
110¼	105½	Exchequer 13pc 1980‡‡	106$\frac{3}{16}$xd	−$\frac{7}{16}$	12.22	10.14
106¾	102½	Treasury 11½pc 1981‡‡	103	−½	11.16	10.19
91⅝	88⅝	Treasury 3½pc 1979-81	89⅝	.....	3.90	7.65
101¾	99	Treasury 9¾pc 1981‡‡	99⅛	−⅜	9.84	10.10
97$\frac{9}{16}$	95	Exch. 8¼pc 1981	95	−$\frac{7}{16}$	8.68	10.13
100¾	98	Exch. 9½pc 1981	98	−$\frac{3}{16}$	9.69	10.22
87$\frac{13}{16}$	86¾	Exch. 3pc 1981	87	.....	3.45	7.47
96$\frac{13}{16}$	96¼	Treas. Variable '81§§	96⅛xd	−⅛	6.38	8.72
111	105$\frac{13}{16}$	Exch. 12¾pc 1981‡‡	106½xd	−⅜	11.97	10.53
99⅛	94⅞	Treas. 8½pc '80-82‡‡	95¼	−⅜	8.92	10.03
86⅝	83¾	Treasury 3pc '82‡‡	84⅜	+⅛	3.56	7.80
115⅞	110$\frac{1}{16}$	Treasury 14pc '82‡‡	110$\frac{7}{16}$	−⅜	12.68	10.64
96	95⅝	Treas. Variable '82§§	95⅝	.....	7.81	8.74
96⅜	92⅞	Treasury 8¼pc '82	93	−½	8.87	10.34
100¼	95⅜	Exch. 9¼pc 1983	95½	−½	9.69	10.52
96$\frac{13}{16}$	93⅜	Exch. 8¾pc 1983	93⅜	−⅜	9.37	10.56
85¼	80¾	Exch 3pc '83	81⅛	+⅛	3.70	7.75
114¼	105¼	Treasury 12pc 1983‡‡	105⅜	−½	11.39	10.55

Five to Fifteen Years

1978 High	Low	Stock	£	+ or −	Yield Int.	Red.
100⅛	95¾	Treasury 9½pc '83	97⅛	−⅜	9.76	10.57
89⅝	84¼	Funding 5½pc '82-84‡‡	84⅞	−⅜	6.59	9.28
96⅞	92	Treasury 8½pc '84-86‡‡	92⅜	−⅜	9.44	10.32
87⅝	79	Funding 6½pc '85-87‡‡	79⅝xd	−⅜	8.14	9.94
89⅝	82¼	Treasury 7¾pc '85-88‡‡	84⅛	−⅜	9.41	10.70
68¾	61¾	Transport 3pc '78-88	62½	−⅜	4.87	8.77
75⅝	65⅝	Treasury 5pc '86-89	66¼	−⅜	7.56	10.02
115¾	107⅛	Treasury 13pc 1990‡‡	107¾	−⅜	12.46	12.28
89⅜	81¼	Treasury 8¼ 87 90‡‡	82⅞	−⅜	10.31	11.31
106½	98⅛	Treasury 11¾pc 1991	98⅞	−⅜	12.29	12.43
75⅛	65⅛	Funding 5¾pc '87-91‡‡	65½	−⅜	8.81	10.79
112⅛	103¼	Treasury 12¾pc '92‡‡	104⅜	−⅜	12.59	12.54
96⅜	85½	Treasury 10pc 1992	87	−¼	11.71	12.20
113	99	Exch. 12¼pc '92	99¾	−⅜	12.51	12.56

Over Fifteen Years

1978 High	Low	Stock	£	+ or −	Yield Int.	Red.
110⅝	101	Treasury 12½pc '93‡‡	102¾	−⅜	12.57	12.58
72⅜	62¼	Funding 6pc 1993‡‡	62⅞	−⅜	9.64	11.18
120¼	105⅞	Treasury 13¾pc 1993‡‡	106xd	−⅜	12.83	12.68
128⅞	113⅝	Treasury 14½pc '94‡‡	114⅛	−⅜	12.93	12.70
114⅛	100⅜	Exch. 12½pc 1994	101	−⅜	12.62	12.64
89⅜	78	Treasury 9pc '94‡‡	78¾xd	−⅜	11.34	11.87
105¾	98¼	Treasury 12pc '95	99	−⅜	12.48	12.54
51⅞	44¾	Gas 3pc '90-95	45⅛xd	−¼	6.64	9.59
95	85¾	Exch. 10¼pc 1995	86¾	−¼	12.08	12.39
200	99¾	Treasury 12¾pc '95‡‡	100⅜xd	−⅜	12.60	12.58
90½	78¼	Treasury 9pc '92-96‡‡	78¾	−⅜	11.56	12.04
131½	116	Treasury 15¼pc '96‡‡	116⅝xd	−⅜	13.02	12.80
117⅝	103⅛	Exchequer 13¼pc '96‡‡	103⅝xd	−⅜	12.68	12.62
50	44¼	Redemption 3pc 1986-96	44¼	−¼	6.80	9.46
115¼	107	Treasury 13¾pc '97‡‡	107½	−⅜	12.71	12.64
98⅜	86½	Exchequer 10½pc 1997	88	−⅜	12.17	12.38
88¼	76¼	Treasury 8¾pc 1997‡‡	76⅞	−⅜	11.57	12.00
72¼	61⅜	Treasury 6¾pc '95-98‡‡	61⅞xd	−⅜	10.88	11.70
135¾	119¾	Treas. 15½pc '98‡‡	120⅜	−⅜	12.98	12.78
90½	82⅝	Treasury 9½pc 1999‡‡	83⅛	−⅜	11.78	12.05
96¼	84	Treasury 10½pc 1999	85⅛xd	−½	12.22	12.40
42½	37⅞	Funding 3½pc '99-04	37⅞	−¼	9.47	10.73
80⅞	69¼	Treasury 8pc '02-06‡‡	69⅝	−⅜	11.55	11.75
58⅜	48¾	Treasury 5½pc '08-12‡‡	49⅜	−⅜	11.28	11.53
76⅝	68¼	Treasury 7¾pc '12-15‡‡	68⅝	−⅜	11.60	11.68

Undated

1978 High	Low	Stock	£	+ or −	Yield Int.	Red.
37⅛	33¼	Consols 4pc	33¾	−⅛	12.16	—
37⅛	34	War Loan 3½pc‡‡	34⅝	−⅛	10.52	—
39¼	33	Conv. 3½pc '61 Aft.	35½	.....	9.91	—
28⅝	24⅜	Treasury 3pc 66 Aft.	24¾	.....	12.19	—
24⅛	21	Consols 2½pc	21⅜	−⅛	11.76	—
24	20¼	Treasury 2½pc	20⅝	−⅛	12.20	—

**INTERNATIONAL BANK

1978 High	Low	Stock	£	+ or −	Yield Int.	Red.
88	83	5pc Stock '77-82	83	.....	6.02	9.92

**CORPORATION LOANS

1978 High	Low	Stock	£	+ or −	Yield Int.	Red.
98¾	95	Birm'ham 9¾pc '79-81	96½	.....	9.52	10.22
94¼	90¾	Bristol 7¾pc '79-81	91¼	.....	8.49	10.77
107	103	G.L.C. 12½pc '82	103¼	−¼	12.10	11.48
112	103¼	Do. 12½pc 1983	105¼	.....	12.13	11.72
97¾	94	Glasgow 9¼ '80-82	94½xd	.....	9.78	10.81
93	90¼	Herts. 5¼pc '78-80	91	+½	5.77	10.12
99½	97⅞	Liverpool 5¾pc '76-78	99	.....	5.81	7.94
102½	92	Do. 9¾pc '80-84	92½xd	.....	10.42	11.26
29¾	27	Do. 3½pc Irred.	28	+¼	12.76	
100$\frac{3}{16}$	99	Lon. Corp. 6½pc '75-78	99⅝	.....	6.52	7.72
99¾	91½	Do. 9¼pc '84-85	92½	.....	10.04	10.81
97¼	95	L.C.C. 6pc '76-79	96	+¼	6.25	9.20
92½	87½	Do 5½pc '77-81	88	.....	6.25	9.70
87½	78	Do 5½pc '82-84	78½	.....	7.13	10.60
75½	70	Do. 5½pc '85-87	70¾	−¼	7.99	10.97
78	70½	Do 6¾pc '88-90	71¼	−¼	9.78	11.45
26½	23¾	Do. 3pc '20 Aft.	24	.....	12.86	—
93¾	91½	Middx. 5¼pc 1980	92½	.....	5.67	9.60
99½	96¼	Newcastle 9¼pc '78-80	96¾	.....	9.56	10.79
106¾	102½	Warwick 12½% 1980	103½	.....	12.06	10.80

COMMONWEALTH & AFRICAN LOANS

1978 High	Low	Stock	£	+ or −	Yield Int.	Red.
100⅞	98½	**Aust. 5½pc '75-78	98⅞	.....	5.49	7.99
95¾	93½	**Do. 5½pc '77-80	94¾	.....	5.98	9.98
88¼	83½	**Do. 5½pc '81-82	83¼	.....	6.59	10.72
98⅜	96¼	**N.Z. 4pc 1976-78	98⅛	+⅛	4.14	9.30
96½	92¾	**Do. 6pc '76-80	94⅛	+⅛	6.43	10.00
87¼	85½	**Do. 7½pc '83-86	86¼	+¼	8.96	10.51
95	91	Sth. Africa 9½pc '79-81	93xd	.....	10.40	12.58
70	55	Sth. Rhod. 2½pc '65-70	59	+2	—	—
96	85	Do. 6pc '78-81	90	+1	—	—

LOANS

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

[illegible]

AMERICANS—Continued

[illegible]

S.E. List Premium 46¼% (based on $US1.8284 per £)

Conversion factor 0.6832 (0.6664)

CANADIANS

[illegible]

S.E. List Premium 46¼% (based on $2.0891 per £)

BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

BUILDING INDUSTRY—Cont.

[illegible]

CHEMICALS, PLASTICS

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Cont.

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

[illegible]

INSURANCE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

INSURANCE

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INV. TRUSTS—Continued

[illegible]

Finance, Land, etc.

[illegible]

FINANCE, LAND—Continued

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

MINES—Continued

CENTRAL AFRICAN

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
210	155	Falcon Rh.50c	165	......	Q50c	1.5	25.9
24	17	Rhod'n Corp. 16⅘p.	19xd	......	0.56	ϕ	4.5
73	52	Roan Cons. K4	68	......	—	—	—
138	122	Tanganyika 50p	138	+2	Q11.0	1.1	8.0
80	78	Do. Pref. 80p	80	......	Q9%	16.4	9.0
41	32	Wankie Col. Rh.1	36xd	......	†Q7½c	1.4	17.8
12½	10	Zam.Cpr.SBD0.24	11½	......	—	—	—

AUSTRALIAN

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
12	10	Acmex 25c	10	......	—	—	—
113	64	Bougainville 50 Toea	103	−7	Q8c	1.4	4.9
78	63	BH South 50c	74	−2	—	—	—
217	148	Conzinc Riotinto 50c	212	−5	Q10c	2.2	2.9
72	48	G.M. Kalgoorlie $1	48	−7	—	—	—
128	81	Hamptn Areas 5p	123	+12	1.45	4.1	1.8
17	10	Metals Ex. 50c	17	......	—	—	—
187	125	M.I.M. Hldgs. 50c	181	−3	Q9c	1.7	3.1
24	10	Mount Lyell 25c	23	−1	—	—	—
2½	1½	Newmetal 10c	2	......	—	—	—
112	79	North B. Hill50c	105	−4	Q8c	1.5	4.7
11½	8½	Nth. Kalgurli	9½	−½	—	—	—
156	117	Oakbridge $A1	146	−9	†Q11c	1.9	4.7
40	30	Pacific Copper	36	−2	—	—	—
£10¼	750	Pancont'l 25c	925	−25	—	—	—
18½	12	Paringa M&Ex.5p	15½	......	—	—	—
480	310	Peko-Wallsend 50c	455	−13	Q15c	4.0	2.0
122	84	Westn. Mining 50c	117	−3	Q6c	1.4	3.2
50	35	Whim Creek 20c	45	......	—	—	—

TINS

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
30	24	Amal. Nigeria	25	......	†2.51	1.6	15.2
305	240	Ayer Hitam $M1	295	−5	†Q61.1c	0.9	‡
55	45	Beralt Tin	53	......	3.75	2.3	10.7
253	200	Berjuntai $M1	250	......	†Q110c	ϕ	‡
130	111	Geevor	130	......	18.05	3.4	21.0
10	8½	Gold & Base 12½p	9½	......	—	—	—
270	220	Gopeng Cons.	220xd	......	15.0	0.9	10.3
155	130	Hongkong	155	......	—	—	—
93	78	Idris 10p	78xd	......	7.5	ϕ	14.6
11	10	Jantar 12½p	11	......	—	—	—
73	68	Kamunting $M0.50	69	......	ZQ15.5c	0.7	4.8
450	450	Killinghall	450	......	Q125	ϕ	27.8
320	280	Malay Dredging $M1	295	−5	†Q95c	0.8	6.9
51	40	♦Pahang	51	+1	†Q2.5	0.5	4.9
58	50	Pengkalen 10p	55	......	6.5	1.3	17.9
190	165	Petaling $M1	183	......	mQ12½c	10.9	1.5
61	49	Saint Piran	53	......	g1.99	4.6	5.7
61	47	South Crofty 10p	53	......	b4.13	1.5	11.8
180	140	South Kinta $M0.50	150	......	†Q77.8c	1.4	11.1
280	230	Sthn Malayan $M1	240	......	†Q131.3c	1.1	11.8
178	134	Sungei Besi $M1	177	−1	—	—	—
68	55	Supreme Corp. $M1	68	......	ZQ10c	—	3.2
100	87	Tanjong 15p	87xd	......	4.5	ϕ	7.8
90	74	Tongkah Hrbr. $M1	87	−3	Q6.82%	1.6	14.0
185	148	Tronoh $M1	185	......	ZQ88c	ϕ	10.2

COPPER

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
96	70	Messina R0.50	88	......	‡Q30c	1.9	‡

MISCELLANEOUS

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
10	9	Burma Mines 17½p.	10	+1	—	—	—
300	220	Cons. Murch. 10c	235	−30	Q30c	2.6	7.6
335	245	Northgate C$1	335	......	—	—	—
206	164	R.T.Z.	198	−8	9.5	ϕ	7.5
46½	30	Sabina Inds. C$1	31	......	—	—	—
950	750	Tara Exptn. $1	887	......	—	—	—
45	43	Tehidy Minerals 10p	43	......	1.21	2.5	4.3
162	120	Yukon Cons. C$1	155	−7	Q7c	ϕ	2.2

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 34 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ♦ Sterling denominated securities which include investment dollar premium.
- ■ "Tap" Stock.
- • Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ↔ Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ‡ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- ¢ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price
- ‖ No par value

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. D Cover and P/E ratio exclude profits of U.K. aerospace subsidiaries. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1977-78. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Dividend and yield based on prospectus or other official estimates for 1977. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 40

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £400 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv 20p	23	......
Ash Spinning	45	......
Bertam	24	......
Bdg'wtr. Est. 50p	269	......
Clover Croft	22	......
Craig & Rose £1	410	......
Dyson (R. A.) A.	40	......
Ellis & McHdy	65	......
Evans Fr'k.10p.	57	......
Evered	14	......
Fife Forge	47	......
Finlay Pkg. 5p	20	......
Graig Ship. £1	150	......
Higsons Brew	80	......
I.O.M. Stm. £1	147	......
Holt (Jos.) 25p	250	......
N'thn. Goldsmith	53	......
Pearce (C. H.)	129	......
Peel Mills	18½	......
Sheffield Brick	46	......
Sheff. Refrshmt.	50	......
Sindall (Wm.)	85	......

IRISH

Conv. 9% '80/82	£96	−¼
Alliance Gas	63	......
Arnott	290	......
Carroll (P.J.)	93	......
Clondalkin	100	+2
Concrete Prods.	127	......
Heiton (Hldgs.)	40	......
Ins. Corp.	166½xd	......
Irish Ropes	132	......
Jacob	65xd	......
Sunbeam	30	+1
T.M.G.	177	+7
Unidare	95	......

OPTIONS

3-month Call Rates

Industrials	
A. Brew	6½
A.P. Cement	18
B.S.R.	9
Babcock	10
Barclays Bank	25
Beecham	38
Boots Drug	15
Bowaters	16
B.A.T.	24
British Oxygen	6
Brown (J.)	20
Burton 'A'	13
Cadburys	5
Courtaulds	10
Debenhams	10
Distillers	13
Dunlop	8½
Eagle Star	11
E.M.I.	18
Gen. Accident	17
Gen. Electric	18
Glaxo	40
Grand Met.	9
G.U.S. 'A'	18
Guardian	18
G.K.N.	22
Hawker Sidd.	20
House of Fraser	12
I.C.I.	23
"Imps"	7
I.C.L.	20
Inveresk	7
KCA	5
Ladbroke	17
Legal & Gen.	14
Lex Service	7
Lloyds Bank	22
"Lofs"	5
London Brick	5
Lonrho	7
Lucas Inds.	25
Lyons (J.)	13
"Mams"	7
Mrks. & Spncr	11
Midland Bank	25
N.E.I.	20
Nat. West. Bank	22
Do. Warrants	10
P & O Dfd.	10
Plessey	9
R.H.M.	5
Rank Org. 'A'	18
Reed Intl.	14
Spillers	4
Tesco	4
Thorn	22
Trust Houses	15
Tube Invest.	30
Unilever	40
Utd. Drapery	7½
Vickers	15
Woolworths	6
Property	
Brit. Land	3¼
Cap. Counties	5
E.P.	5
Intereuropean	4
Land Secs.	15
MEPC	12½
Peachey	10
Samuel Props.	10
Town & City	2
Oils	
Brit. Petroleum	35
Burmah Oil	7
Charterhall	3½
Shell	28
Ultramar	22
Mines	
Charter Cons.	12
Cons. Gold	20
Rio T. Zinc	16

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES
Friday April 21 1978

Government launches plans to encourage profit sharing

BY JOHN ELLIOTT AND DAVID FREUD

GOVERNMENT plans to introduce income-tax concessions next April aimed at encouraging employees to acquire shares in the companies they work for were launched yesterday in the Finance Bill.

The plans are the result of the pressure on the Government of the Liberal Party, whose leaders hope they will lead to a rapid growth of the employee share ownership form of profit sharing.

In general, the Bill shows signs of the increasing strains caused by high marginal rates of tax. The number of measures devoted to giving special reliefs is sharply up on previous years, reflecting Government response to pressure from particular groups such as self-employed exporters and North Sea divers.

The profit-sharing proposals provide tax concessions on bonus allocations of up to £500 per employee each year. The bonuses are turned into shares and held by trustees for at least five years. No income tax is paid until the shares are sold, and the amount of tax then due is tapered in five stages so that it is paid on only 50 per cent. of the original value after five years, with nothing due after 15 years.

The proposals are broadly in line with one of the schemes included in an Inland Revenue consultative document in February. Known as "method three" in the document, it was basically designed by the Liberal Party. The only major modification included in yesterday's announcement was the extension of the tax concessions so that no income tax at all is payable after 15 years.

Following this concession, Liberal MPs may now try during the Bill's Parliamentary stages to remove any capital gain tax liability after a similar period. But generally the Liberals favour the proposals and last night Mr. John Pardoe, their spokesman on economic affairs, described them as "the fruition of years of campaigning by the Liberal Party and a significant first step towards the creation of an industrial democracy."

Although no official announcement has been made, it is assumed that the Government intends to exempt profit sharing bonuses from the limits of any further round of pay policy after summer.

Approved

But such an exemption would almost certainly apply only to share allocations. This would mean that employees who might prefer to opt for a cash hand-out (which would be subject to immediate income tax) would have to accept a consequentially lower pay rise.

It will be up to companies to decide whether they want to introduce the share schemes and the Bill does not include rules about obtaining prior approval of shareholders or of negotiating arrangements with employees.

A considerable number of companies may find the proposals impracticable. For example, they are unlikely to be applicable to many U.K. subsidiaries of foreign-owned companies, and they may pose problems for companies whose shares are not quoted on the stock exchange.

The cost of the share bonuses will be allowable for corporation tax purposes, which could increases companies' interest in introducing a scheme.

The number of groups which have gained special reliefs from other income-tax measures in the Bill is likely to reinforce the possibility of a Tory/Liberal alliance to reduce marginal rates. Their argument will be that if the rates were lower there would be no need for making so many exceptions, with all the time-consuming complexity they entail.

The Bill extends to self-employed people and partners the travel relief for those who work abroad first granted to employees last year. The sums involved are negligible and the number who will benefit small.

North Sea divers will be assessed under the more advantageous Schedule D terms for the self-employed, rather than on a Pay As You Earn basis. The justification for this given to the Commons earlier in the year—essentially the hazardous nature of their work—is one that many other industrial groups might try to take advantage of in future.

Special reliefs are also given to farmers and divorcees and children of broken marriages.

Rupert Cornwell, Lobby staff, writes: The vital clash on the Government's budget proposals will come in about three weeks' time when the Commons votes on amendments to the Finance Bill, aimed at lowering the standard rate of income-tax from the present 34p.

Amendment

After studying the text of the Bill, Conservative leaders have decided to table their own amendment to lower the standard rate. But it is not yet clear exactly how big a reduction they will seek.

Conservative strategy will be to allow the Bill to have its second reading next Thursday without opposition, and to concentrate their fire on the subsequent committee proceedings.

Three days of detailed examination will take place on the floor of the House, beginning in the week of May 8. The measure which gives legislative shape to the Budget then goes "upstairs" for further detailed scrutiny by the smaller Committee of MPs.

Parliament, Page 12

EEC plan to curb industry in new States

By Guy de Jonquieres, Common Market Correspondent

BRUSSELS, April 20.

GREECE, PORTUGAL and Spain should begin reducing national aids to industry and trimming investment in sensitive sectors like steel and textiles even before they are admitted as members of the EEC, according to senior officials of the European Commission.

In exchange for these measures, which are bound to involve considerable political and economic hardships in the three countries, the Community should offer them financial aid and exempt them from the full impact of any further restrictions introduced by the EEC in its trade policy toward third countries.

The officials are increasingly convinced that such actions will be needed if the entry of the three relatively under-developed countries is not to create difficulties in a Community already experiencing severe problems in a number of its older and less efficient industries.

The idea, backed among others by Viscount Etienne Davignon, the influential Commissioner for Industry, is a central issue in the Commission's approach to EEC enlargement. It is strongly hinted at in the "Fresco," or overall study of enlargement, approved by the Commission yesterday.

The recommendation was made much more explicitly in earlier drafts of the document, say the officials. But for diplomatic reasons, it was toned down in the final version, which is to be discussed by EEC Foreign Ministers early next month.

The Commission wants the applicant countries to start—well before admission—to align their generous State aid policies with the much stricter EEC standards, and to begin "adaptation" of those industries whose counterparts in the Nine are already in trouble.

In practice, this would probably mean cutting the capacity of Greece's textile industry and tight constraints on any expansion of Spain's steel and shipbuilding industries.

It would also require drastic modification of Portugal's grandiose schemes to embark on ambitious steel, textile and shipbuilding programmes.

The Commission believes that, tough as these measures are, it is only fair to warn the applicants that EEC markets will not bear a substantial increase in the output of these products.

It is prepared to help them make adjustments by offering preferential trade treatment and financing programmes aimed at developing alternative growth sectors.

The Commission proposes that the applicants be granted post-entry transition periods of between five and ten years to adjust to EEC membership.

THE LEX COLUMN

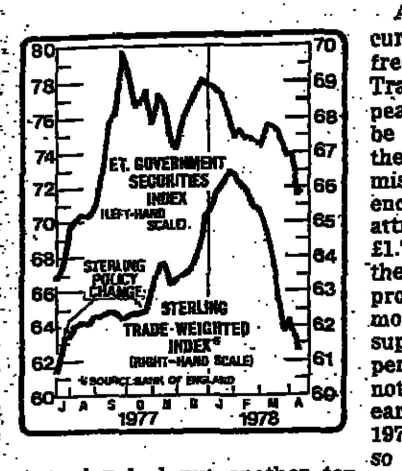
Turner and Newall calls for £32m.

The cost of Turner and Newall's attempt to break away from its traditional low growth or declining businesses has been two rights issues in just over two years. The latest—one for four at 152p to raise £32m.—comes after a 12-month period in which the cash cost acquisitions and capital spending exceeded net cash flow by roughly £40m. The trouble is that the success of all this expansion is not yet assured.

Profits are actually lower so far in 1978, and the outlook is for only modest profits growth for the year to a bit over £50m. pre-tax, despite a full contribution from the acquisitions. The U.K. accounts for most of the weakness, with a disappointing performance from most of the home companies including the Storey Brothers acquisition. Substantial investments will be reaching the pay-off stage in 1979, but T. and N. wants to maintain conservative gearing ratios in the meantime since its return on capital is still less than 20 per cent. on an historic cost basis.

The only immediate consolation is the forecast of a 14 per cent. dividend increase this year (1977's payment was not covered on a current cost basis) and the shares fell 17p to 171p yesterday. However, there are apparently no more big acquisitions in the offing, and a prospective yield of over 10 per cent. ex rights will be enough to keep shareholders sweet for the time being.

Index fell 6.8 to 454.8



Dollar turnround

The U.S. authorities' plan to sell 1.8m. ozs of gold over the next six months is not going to solve the problem of the country's chronic trade deficit. The $300m. or so that will be raised is peanuts in relation to a deficit that has been averaging $860m. a week so far this year. However, the move had a powerful psychological impact on the dollar.

The amounts involved may not be large but at least the U.S. authorities appear to be doing something about their deficit at last, and the apparent tightening of the Fed Funds rate is also helping the U.S. currency. Since the beginning of April the dollar has appreciated by close to 8 per cent. against the Swiss franc and 3.5 per cent. against the D-mark. The resurgence in foreign confidence in the dollar has helped to fuel the recovery on Wall Street which by lunchtime yesterday had put another ten points on the Dow Jones.

For the U.K. authorities the recovery in the dollar could not have come at a more awkward time since it has tended to accentuate the weakness of sterling—it fell nearly two cents yesterday—when the Government Broker is wanting to sell stock. The long tap was exhausted yesterday but by the close, prices of long dated stock were ⅜ lower. The authorities will be anxious to announce at least one, and possibly two, new tap stocks to-day but they will have to keep a weather-eye on sterling.

Dunlop

At £57m. pre-tax Dunlop's 1977 profits are in line with downgraded expectations, but the group does not disguise its disappointment. At the time of the rights issue last May the Board forecast "good progress" after the achievement of £73m. for 1976, and in September the half-time figure of £31.6m. was accompanied by an indication of a "moderate improvement" in the second six months. In the end, even after restating the half-yearly figures to take account of year-end adjustments and exchange rates, July-December contributed only £25m. against £32m. for January-June. On a current cost basis, too, operating profits eased off sharply in the second half, progressing only from £19m. at the interim stage to £28m. for the full year.

Strikes in the U.K. are said to have cost some £7m., while tyre margins were heavily eroded—this division produced only a third of operating profits against half in 1976. But there was a degree of growth in consumer goods engineering products, wh... plantations had a boost a... favourable palm oil price...

At least the early part... current year has been ... free of industrial di... Trading conditions in the ... pean tyre industry contin... be difficult, however, and ... the French Government... mise of price freedom ... encouraging pointer — attributable to Dunlop ... £1.7m. in France last y... the general excess ca... problem persists. For ... moment the shares at 8... supported by a yield o... per cent., but the divide... not covered by current ... earnings, and on the ba... 1977 net cash flow of £50... so Dunlop will have to ... up its debt this year to f... a £75m. capital spe... programme.

Profit sharing

The profit-sharing pro... outlined in yesterday's Fi... Bill are of strictly limited ... vance to the working popu... as a whole. Not only do ... not apply to the nation... industries, or unincorp... firms, but they are unlik... be practical possibilities f... vast majority of private ... panies, or for U.K. subsi... of foreign-owned business... the case of private comp... where shares are gen... closely held and there ... ready market, there wou... great difficulties in carryi... annual share valuation... alone in determining a su... realisation price when ... employee wished to sell. A... foreign-owned subsidiarie... problems of applying th... posals would be enor... Even assuming that fo... companies would be willi... consider profit-sharing sc... solely for U.K. employees, ... would still be significan... change control obstacles t... with.

The only area where ... sharing would appear ... really practicable is for q... companies. Here, emp... would enjoy tax-saving ... tunities not generally ava... Already tax specialists ... thinking up devices su... having top management ... ployed by one subsidiary ... a profit-sharing scheme, ... all other workers would b... ployed by a separate subs... without one. One distorti... the savings market just le... another.

Queen's Awards for 124 companies

By Lorne Barling

SMALLER companies are prominent this year in the Queen's Awards for Export and Technology following a period of record British sales overseas. Last year exports rose sharply and contributed much to the economy at a time of depressed home demand.

The proportion of smaller companies among the 124 Queen's Award winners has risen from about 30 per cent. last year to 40 per cent. However, the major engineering, construction and electronics companies remain dominant.

Recognition has also been given to the contribution of invisible exporters such as consultants, insurers, shippers and smaller companies such as travel agents and conference organisers.

The General Electric Company, which this year won three awards, remains the most highly recognised company with 51 credits to its name since the start of the scheme in 1966.

The number of applications received by the Queen's Award Office reached a record of 1,860, over 50 per cent. more than the record last year.

Applicants are expected to show "a substantial and sustained increase in export earnings to a level which is outstanding for products or services concerned and for the size of the applicant unit's operations."

Among the major companies receiving awards were Air Products, Associated Portland Cement, Balfour Beatty, British Steel (Overseas Services), David Brown Tractors, EMI Records, Ever Ready, Fisons, Kodak, Marconi Avionics, Plessey, Pullman, Kellogg and Rowntree Mackintosh.

For technological achievement winners include: BOC (Subocean Services), CJB (Offshore) Dowty Mining Equipment, GKN (Forgings), ICI's Mond Division and Pharmaceutical Division, Pilkington's Research and Development Department and Rolls-Royce's advanced projects department.

The technology awards were mainly in the areas of drugs and agriculture, with ICI receiving one for a drug used to treat breast cancer and Smith Kline and French Laboratories one for treatment of peptic ulcers.

ICI also won an award for an insecticide, while the department of hop research at Wye College and East Malling Research Station were both recognised for work on hop plant development.

The Queen's Award Office said that the unusually good response from British industry this year was undoubtedly prompted by good export conditions and to some extent by the Queen's Jubilee.

Details, Page 10
Men and Matters, Page 22

Consumer spending increases sharply

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

CONSUMER EXPENDITURE 1970 prices, seasonally adjusted		£m.
1975		35,269
1976		35,406
1977		35,133
	1st	8,758
	2nd	8,644
	3rd	8,831
	4th	8,900
1978	1st	9,015*

*First preliminary estimate
Source: Central Statistical Office.

CONSUMER spending rose sharply in real terms in the first three months of this year and was at the highest level since the early autumn of 1973.

Expenditure has increased by 4¼ per cent. compared with the exceptionally low level of the April-to-June period of last year.

On a longer-term comparison, spending in the last six months was 2½ per cent. higher than in the previous half-year.

This suggests that the revival in expenditure is now well-established, even though the increase so far merely offsets the decline of 1974-77 and spending to date still falls short of boom levels.

Preliminary estimates published by the Central Statistical Office yesterday indicate that the volume of consumers' expenditure rose by about 1½ per cent. between the October-to-December period of last year and the first three months of 1978 to £9.01bn. (at 1970 prices and seasonally adjusted).

The Central Statistical Office estimates that there was a "substantial" increase in spending on the purchase of motor vehicles, as shown by the car registration figures, and on household durable goods.

Expenditure on alcoholic drink and on fuel and light also rose, while spending on food fell from the high level of the early winter.

The rise in consumer spending in the first quarter—in line with the increase in retail sales already announced—suggests that the proportion of income saved has fallen slightly from the high level at the end of last year.

The level of savings will have a crucial influence on the extent of the expected consumer boom during the next few months. The view of most economists and of the Treasury in its budget projections is that consumer spending will rise sharply this year in line with the rise in disposable incomes.

In particular, higher real earnings and tax cuts and rebates are expected to boost spending especially sharply between now and the late autumn.

The Treasury has projected an increase in consumer spending in real terms of nearly 5 per cent. this year compared with 1977 to a level about 2½ per cent. higher than the previous peak in 1973.

The figures published yesterday are partially forecasts, being based on incomplete data, and at this stage quarterly estimates may differ on average by about 0.4 per cent. or £35m. (at 1970 prices) from later annual figures.

U.K. concerns now free to join European Options Exchange

BY MARGARET REID

BRITISH Stock Exchange concerns are now free to join the European Options Exchange in Amsterdam, it emerged last night on the eve of this morning's launch of trading in share options on the Stock Exchange in London.

Up to 12 stock market firms may well take advantage of this to join the Amsterdam exchange—which opened as Europe's first venture in share options dealing on April 4—so diversifying their business.

Legal problems which have held up British Stock Exchange firms from participating in the Amsterdam exchange — which quotes options on three leading British shares—have now been resolved.

It had been feared that, under the Prevention of Fraud (Investments) Act 1958, British Stock Exchange concerns would need special dealers' licences to join the Amsterdam exchange. But following the Department of Trade's recent receipt of counsel's advice, it has become clear that no complication or obstacle of this kind exists.

This clarification, not yet publicly announced, sweeps away one of the difficulties which have meant that virtually no options business in the three British shares—ICI, BP and GEC—has been done in Amsterdam. Exchange control problems were earlier solved with a ruling that British residents could deal in options on British shares in Amsterdam without paying the investment premium.

Next week is likely to bring the solution of a final problem concerning the supply to Amsterdam of jobbers' average prices of British shares which will be compiled and used for the first time in to-day's start to London options trading in ten leading U.K. shares.

Options will be traded in London in two prices for each of the 10 shares, one "in the money" (below the market price) and one "out of the money" (above it). For instance, for ICI, which closed 339p last night, the two prices will be 330p and 360p. Amsterdam offers variety by trading in options on different exercise prices from London's with different expiry dates.

Mr. Dundas Hamilton, chairman of the Stock Exchange's Options Committee, said last night they hoped for a "low profile" start to London options dealings, with turnover building up as the system got established.

In the new market, investors will not only be able, as hitherto, to buy options to purchase shares at pre-fixed prices over a future period, but to trade in the options at any time.

Fourteen Stock Exchange firms have decided to be clearing members of the new London market, which will operate on the Stock Exchange floor, dealing in options on BP, Consolidated Gold Fields, ICI, Marks and Spencer, GEC, Commercial Union, Courtaulds, Grand Metropolitan, Land Securities and Shell Transport.

Plessey hopeful on air project

BY MAX WILKINSON

PLESSEY'S disappointment that its Doppler aircraft landing aid has been rejected as a world standard was tempered yesterday by the hope that the company will become a major supplier of the rival U.S. system.

On Wednesday in Montreal the International Civil Aviation Authority voted to adopt the U.S.-developed Time Reference Scanning Beam (TRSB) landing guidance system in preference to Doppler.

However, Plessey welcomed the fact that the organisation agreed to extend the life of the present Instrument Landing System (ILS), of which Plessey is a major supplier.

Plessey hopes that the ten-year extension of life for the ILS will give it a chance to take part in the development of a TRSB system and eventually to manufacture it.

Plessey said most delegates in Montreal appeared to be more concerned with extending the life of the present system than with developing a long-term replacement.

Existing systems remain "protected" or valid until 1995, an extension from 1985, and the new system will be phased in gradually. West German proposals to continue development work on a 360-degree approach system based on the TRSB were accepted and further discussion of a technical nature were being held on this at the meeting yesterday.

About 250 officials from nearly 70 nations attended the ICAO meeting and both the U.S. and the U.K. brought specially-equipped aircraft to demonstrate the virtues of their systems. The lobbying was furious at times over a system that will be worth billions of dollars over the next few years.

Mr. Brian Smith of the British delegation expressed disappointment at the decision and said: "The British felt their system technically had the best potential and being based on the Doppler was most advanced in development.

"However, we accept that it is out of the race. It will be five to ten years before TRSB equipment will be coming into use, probably in the Northern countries first where it is most urgently needed.

"The delegates were faced with a mountain of technical data, which they could not fully abosrb in the time. But the decision had to be taken urgently to prevent proliferation of landing systems in the future. It was a good fight, sometimes with acrimony, but the final vote was overwhelming."

When airports have the microwave systems installed, pilots will be able to make blind landing approaches, tracing complex flight paths around obstacles—which they cannot do with present radio wave systems.

Breathing space, Page 6

Continued from Page 1

Forces' pay

also on the cabinet agenda and a statement will be made either late next week or the following week. The expectation is that both groups will get a rise of 10 per cent. in line with the Government's pay policy.

Doctors believe that their pay body recommends an increase of around 30 per cent. and they are looking for a deal like that of the firemen, with generous increases phased in over the next few years.

Commission criticises animal feed industry

By Christopher Parkes

BOCM-SILCOCK, the dominant company in the British animal feed industry, has come under fire from the Price Commission. A report published yesterday claims that competition in the industry is limited, with prices kept in line by the market leader.

Mr. Allan Price, BOCM's feed director, counter-charged that the commission had based its findings on misinformation and had ignored efforts to put the record straight.

The Price Commission has passed evidence to the Office of Fair Trading that six of the seven leading feed makers, which account for half Britain's £1.2bn.-a-year market, practised "price parallelism . . . stricter than can be justified."

"BOCM-Silcock seems to be the clear price leader, and some of the other compounders readily admitted to us that they could not afford to let their prices get out of line with the leader," the report says.

"BOCM's high level of profitability is due in part to this, but also to good management and improvements in operating efficiency."

The company's system of "loyalty discounts" for faithful customers is not related to costs and also reduces competitiveness within the industry, according to the commission.

BOCM is also said to have "provided an umbrella under which some of the less efficient compounders have been able to trade at lower profit levels." Had there been more active price competition, these compounders would have been forced to become more efficient if they were to survive.

Response, Page 39

Weather

U.K. TO-DAY

SHOWERS, frequent in the North and East.

London, E. Anglia, E., S.E., Cent. S. and Cent. N. England, Midlands.
Sunny with showers. Max. 13C (55F).

Channel Islands, S.W. England, S. Wales.
Bright or sunny. Max. 13C (55F).

N.E. England, Borders.
Bright with showers. Max. 11C (52F).

N. Wales, N.W. England, Lakes, Isle of Man, S.W. Scotland, N. Ireland.
Bright with showers later. Max. 11C (52F).

N.E. and N.W. Scotland, Cent. Highlands, Orkney.
Cloudy with showers. Max. 10C (50F).

Shetland.
Cloudy with rain. Max. 6C (43F).

Outlook: Changeable.

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Amsterdm.	C	15	59	Luxembrg.	R	10	50
Athens	C	12	54	Madrid	F	19	66
Bahrain	C	28	82	Manchstr.	F	12	54
Barcelona	C	14	57	Melbourne	C	14	57
Beirut	F	19	66	Milan	S	16	61
Belfast	C	12	54	Montreal	C	10	50
Belgrade	C	12	54	Moscow	S	10	50
Berlin	C	7	45	Munich	S	14	57
Birmghm.	C	11	52	Newcastle	R	9	48
Bristol	R	11	52	New York	R	10	50
Brussels	R	11	52	Paris	R	13	55
Budapest	C	9	48	Perth	F	22	72
B. Aires	S	22	71	Prague	F	12	54
Cairo	S	27	80	Reykjavik	S	7	45
Cardiff	C	9	48	Rio de J'o	C	27	81
Chicago	C	3	40	Rome	S	15	59
Cologne	F	16	61	Singapore	S	31	87
Copnhagn.	C	5	41	Stockholm	C	3	37
Dublin	C	10	50	Strasbourg	F	16	61
Edinbrgh.	R	10	50	Sydney	F	20	70
Frankfurt	F	16	61	Tehran	S	20	70
Geneva	R	9	48	Tel Aviv	F	19	66
Glasgow	C	10	50	Tokyo	S	23	73
Helsinki	S	14	57	Toronto	R	2	36
H. Kong	C	28	82	Vienna	F	11	52
Jo'burg	C	21	70	Warsaw	C	11	52
Lisbon	F	18	64	Zurich	S	13	55
London	F	13	55				

HOLIDAY RESORTS

Ajaccio	R	12	54	Jersey	S	11	52
Algiers	F	22	72	Locarno	C	15	59
Biarritz	C	13	55	Majorca	F	21	70
Blackpool	C	12	54	Malaga	S	24	75
Bordeaux	C	14	57	Malta	F	17	63
Boulogne	F	9	48	Nairobi	S	24	75
Casablnca.	F	18	64	Naples	S	16	61
Cape Town	S	21	70	Nice	R	14	57
Corfu	C	15	59	Nicosia	F	18	64
Dubrovnik	C	13	55	Oporto	F	15	59
Faro	F	20	68	Rhodes	C	16	61
Florence	S	14	57	Salzburg	S	16	61
Funchal	C	19	66	Tangier	F	19	66
Gibraltar	S	23	73	Tenerife	S	20	68
Guernsey	S	11	52	Tunis	C	17	63
Innsbruck	C	17	63	Valencia	C	24	75
Inverness	C	11	52	Venice	F	14	57

هكذا من الأصل

Registered at the Post Office. Printed by St. Clement's Press for and pu... the Financial Times Ltd., Bracken House, Cannon Street, London, EC4...